

THE POLISH ECONOMIST



DRUKARNIA
Witold Szwedowski
3000



POPULATION OF POLAND ————— 29,249,000
DENSITY — (PER 1 SQ. KLM.) ————— 75.3

AREA OF POLAND (IN SQ. KLM.) ————— 388,279
UNDER CULTIVATION ————— 183,078
CENTERS: BIALOWIEZA, PINSK, WILNO, CARPATHIAN MOUNTAINS
UNDER FORESTS ————— 90,621

MAIN NATURAL RESOURCES

(APPROXIMATE YEARLY PRODUCTION - IN TONS)

- | | | |
|--|---|---|
| COAL (CENTERS: KATOWICE, DABROWA, KRAKOW) — 35,000,000 | IRON ORE (RADOM, KIELCE, GZESTOCHOWA) — 400,000 | SALT (WIELICZKA, INOWROCLAW) — 400,000 |
| PETROLEUM (BORYSLAW, JASELO, STANISLAWOW) — 800,000 | ZINC ORE (KATOWICE, SOSNOWIEC) — 400,000 | POTASSIUM SALTS (KALUSZ, STEBNIK) — 180,000 |
| HEALTH RESORTS | | |

In MARCH, the economic situation in Poland continued to be under the influence of the after-effects of the severe winter, and the atmospheric conditions prevailing during the month were also unsatisfactory.

In agriculture, little, if any, benefit was derived from the short-lived improvement in the prices of grain, as these again began to fall in the middle of the month. Sales of grain were on a small scale, and, although the demand for cattle has increased, prices were not remunerative. Spring operations on the land have been delayed. As a result of the heavy frosts, root plants, fruit trees and even domestic animals have suffered. On the other hand, winter sowings are doing well, even better than last year.

In industry, the number of unemployed began to fall, but the decline started a month later than in 1928 and the rate of decrease is much smaller.

During the month there were unmistakable signs of improvement, but to a much smaller extent than last year. In particular the production of capital goods, which expanded so rapidly in 1928 is showing a falling off.

In trade, there was a fairly large increase due to better weather and Easter. Nevertheless, the financial situation of merchants has not improved materially.

Railway traffic increased considerably, but was smaller than last year, due partly to the intense frost and partly to a smaller demand for the transport of industrial raw materials.

Shipping, too, increased but was still on a small scale. Foreign trade was most affected by the severe winter and the consequent dislocation in transport; the turnover showed a considerable decline especially as regards imports.

The currency reserves at the Bank of Poland showed a decrease, due to a certain diminution in the inflow of foreign credits as a result of the considerable rise in the rate of interest abroad, and especially in New-York.

On the money market stringency continued to be in evidence. The demand for credits showed a falling off; local supplies of capital shrank.

State revenue increased considerably, March being the last month of budgetary year.

	UNIT	MARCH 1928	FEB. 1929*)	MARCH 1929**)
STATE OF EMPLOYMENT:				
UNEMPLOYED		167,676	182,491	176,539
PART-TIME WORKERS		48,878	16,554	16,967
PRODUCTION:				
COAL	thousand tons	3,509—	3,294—	3,805
OIL		61.3	48.6	55.4
STEEL		118.3	118.6	126.6
IRON		58.1	48.6	59.9
ZINC		13.6	11.8	12.9
AGRICULTURAL INDEXES:				
(crop estimates)				
RYE	thousand tons	2.9	—	3.1
WHEAT		3.1	—	3.2
BARLEY		—	—	—
OATS		—	—	—
PRICES:				
WHOLESALE PRICE INDEX		121.2	117.6	117.9
INDEX OF COST OF LIVING IN WARSAW	1914=100	119.3	127.5	124.4
FOREIGN TRADE:				
IMPORTS:		372.2	264.9	233.8
including:		431.9	411.2	358.2
foodstuffs (edible fats, fish & herring, coffee, rice, wheat &c.)		52.6	41.3	29.3
		48.5	41.2	31.0
animal products (tanned hides, dried skins &c.)		31.6	15.6	17.6
		4.0	2.3	2.0
ores		5.9	8.4	7.1
		51.3	73.4	57.1
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.)		40.2	30.6	19.4
		80.1	84.1	52.9
metals & metal products		27.3	19.3	17.1
		53.4	50.9	46.9
machinery & apparatus		49.5	34.4	29.4
		11.4	6.3	5.4
paper & paper wares		11.2	7.9	8.3
		10.9	8.8	6.8
textiles & textile products	million	104.5	77.2	77.5
		14.9	13.1	13.0
EXPORTS:	zł	208.3	167.5	161.5
including:		1,539.7	1,346.8	1,155.1
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.)	and	46.0	34.1	31.4
	thousand	59.3	62.4	51.3
live animals — in thousands of heads	tons	20.4	14.1	15.9
		164.1	87.3	89.6
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.)		51.4	26.2	21.1
		449.9	216.1	190.3
plants & seeds		7.8	6.4	6.9
		9.7	8.2	9.7
coal & coke		23.9	28.2	23.8
		876.0	963.5	785.4
petroleum products		6.3	3.7	5.5
		17.4	10.6	16.7
iron & iron products		7.4	8.0	8.3
		13.8	13.3	13.7
zinc		15.0	11.0	12.8
		13.3	9.9	11.4
textiles & textile products		14.4	18.3	13.7
		3.8	4.0	3.6
EXCESS OF EXPORTS (+) OR IMPORTS (—)		—163.8	—97.6	—71.8

*) Corrected figures. **) Provisional figures.



POPULATION of Poland	29,249,000	AREA OF POLAND (in sq. km.)	388,279
DENSITY (per 1 sq. km.)	75.3	area UNDER CULTIVATION (in sq. km.)	183,078
OCCUPATION:		area UNDER FORESTS (in sq. km.)	90,621
agriculture	65 p. c.		
industry	14 p. c.		
commerce	8 p. c.		
various	13 p. c.		

POLAND'S CHIEF TOWNS					
Warszawa (Warsaw)	1,015,420	Lwów	219,388	Katowice	118,870
Łódź	580,000	Kraków	200,332	Lublin	114,042
Poznań	236,265	Wilno	178,215	Hydgoszcz	111,197
				Sosnowiec	103,039
				Częstochowa	95,518
				Białystok	90,200

READ
THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

THE CURRENT ISSUE, No. 5, 1929 of "The Polish Economist" contains the following articles: The Budget for 1929-30; Profit Earning Capacity of Large and Small Holdings; The Polish Aeroplane Industry and its Development; The Economic Progress of the Free City of Danzig in 1928. As usual, there are also market reports covering grain, butter, eggs, timber, coal, petroleum, iron, zinc and lead &c., as well as notes on the state of employment, movement of prices, foreign trade, railway, port and aerial traffic, State budget, Stock Exchange, Bank of Poland, &c.

ANNUAL SUBSCRIPTION: 15/-, \$ 3.00 OR zł 30/-

WARSAW, 2, ELEKTORALNA

	UNIT	MARCH 1928	FEB. 1929*)	MARCH 1929**)
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded (15 tons)	544,639	384,328	513,267
PORT TRAFFIC:				
Danzig	reg. ton	320,244	101,101	145,530
Gdynia		63,668	8,165	39,708
BUDGET:				
RECEIPTS		306.2	249.3	278.0
including:				
taxes and public levies	million zł	166.2	120.0	142.2
monopolies		77.3	71.4	82.5
State undertakings		23.6	2.1	21.4
EXPENDITURE		286.8	203.5	263.6
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million zł	1,127.6	1,248.8	1,333.3
COVER IN GOLD AND FOREIGN CURRENCIES	%	68.44	63.32	62.49
TOKEN COINS	million zł	285.4	231.1	238.7
CREDIT:				
(Bank of Poland)				
BILLS DISCOUNTED	million zł	495.8	660.2	704.0
OFFICIAL DISCOUNT RATE	%	8.0	8.0	8.0
FOREIGN CURRENCIES:				
(Warsaw Stock Exchange average rates)				
U. S. A. DOLLAR		8.90	8.90	8.90
POUND STERLING		43.45	43.28	43.28
FRENCH FRANC		0.35	0.35	0.35
SWISS FRANC		1.72	1.72	1.72

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland"

("Dziennik Ustaw Rzeczypospolitej Polskiej")

during March 1929

Executive Decree concerning certain facilities to be extended to industrial and transport undertakings ("Dz. Ust. R. P." No. 12, item 100).

The withdrawal of Treasury notes for Złoty 5 ("Dz. Ust. R. P." No. 12, item 101).

Approving design for a nickel coin of one zloty ("Dz. Ust. R. P." No. 12, item 102).

Issue of permits for the sale of tobacco products of special brands and of imported tobacco products ("Dz. Ust. R. P." No. 13, item 111).

The introduction of compulsory insurance of farm effects against fire, livestock against diseases, and crops against hail ("Dz. Ust. R. P." No. 13, item 112).

The exchange of notes with the Free City of Danzig concerning the confirmation of the agreement dated August 12, 1925 dealing with the application of export duties ("Dz. Ust. R. P." No. 14, item 123).

Export duty on timber ("Dz. Ust. R. P." No. 15, item 126).

Customs duty on husked rice ("Dz. Ust. R. P." No. 15, item 127).

Storage charges levied by the State warehouses at Gdynia ("Dz. Ust. R. P." No. 15, item 128).

Amendment of the legislation concerning the protection of the interests of lease-holders of small farms ("Dz. Ust. R. P." No. 16, item 134).

Prohibiting the employment of the names of French regional wines for wines of local production ("Dz. Ust. R. P." No. 16, item 136).

New statutes for the Western and Pomeranian Chambers of Agriculture ("Dz. Ust. R. P." No. 17, item 140 and 141).

Customs duty refund when exporting cyanide compounds, ferro-cyanide, blues and lye ("Dz. Ust. R. P." No. 19, item 180).

Post, Telegraph and Telephone charges ("Dz. Ust. R. P." No. 19, item 181).

The Treasury Act covering the period from April 1, 1929 to March 31, 1930 ("Dz. Ust. R. P." No. 20, item 183).

The value of the debenture bonds of the State Land Rente, expressed in gold zloty, for the year 1929 ("Dz. Ust. R. P." No. 20, item 210).

Introducing, in certain parts of the Republic, State Supervision over bull breeding ("Dz. Ust. R. P." No. 20, item 211).

*) Corrected figures.

**) Provisional figures.

THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

WARSAW — LONDON — NEW YORK

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In MARCH, the economic situation in Poland continued to be under the influence of the after-effects of the severe winter; and the atmospheric conditions prevailing during the month were also unsatisfactory.

In agriculture, little, if any, benefit was derived from the short-lived improvement in the prices of grain, as these again began to fall in the middle of the month. Sales of grain were on a small scale and, although the demand for cattle has increased, prices were not remunerative. Spring operations on the land have been delayed. As a result of the heavy frosts, root plants, fruit trees and even domestic animals have suffered. On the other hand, winter sowings are doing well, even better than last year.

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On the money market, stringency continued to be in evidence. The demand for credits showed a falling off; local supplies of capital shrank.

State revenue increased considerably, March being the last month of the budgetary year.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

MARCH 1929

	UNIT	MARCH 1928	FEBRUARY 1929*)	MARCH 1929
STATE OF EMPLOYMENT:				
UNEMPLOYED		167.676	182.491	176.539
PRODUCTION:				
COAL	thousand tons	3.509	3.294	3.805
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IRON		58.1	48.6	59.9
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(CROP ESTIMATES)				
RYE	thousand tons	2.9	.	3.1
WHEAT		3.1	.	3.2
BARLEY
OATS
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	121.2	117.6	117.9
INDEX OF COST OF LIVING IN WAR-				
SAW		119.3	127.5	124.4
FOREIGN TRADE:				
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EXPORTS		208.3	167.5	161.5
EXCESS OF EXPORTS (+) OR IM-				
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PORT TRAFFIC (DANZIG AND GDYNIA)		383.932	109.266	185.238
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TOKEN COINS				
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million zł	495.8	660.2	704.0
OFFICIAL DISCOUNT RATE	% %	8.0	8.0	8.0
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	zł	8.90	8.90	8.90
POUND STERLING		43.50	43.28	43.28

REMARK: — Figures appearing in the above table are intended exclusively to characterise the economic situation in March 1929; detailed comments on them, and in some cases the latest data, are given in the respective sections of this issue and in the "Latest news".

THE BUDGET FOR 1929/30

IN ACCORDANCE with the Treasury Act passed by the Legislative Chambers, the Sejm and the Senate, the budget for the Republic of Poland for the fiscal year 1929/30 is, revenue zł 2,954,967.414

and expenditure, zł 2,787,787.731, giving an estimated surplus amounting to zł 167,179.683. The Treasury Act, however, empowers the Minister of Finance to employ a portion of this surplus for

*) Corrected figures.

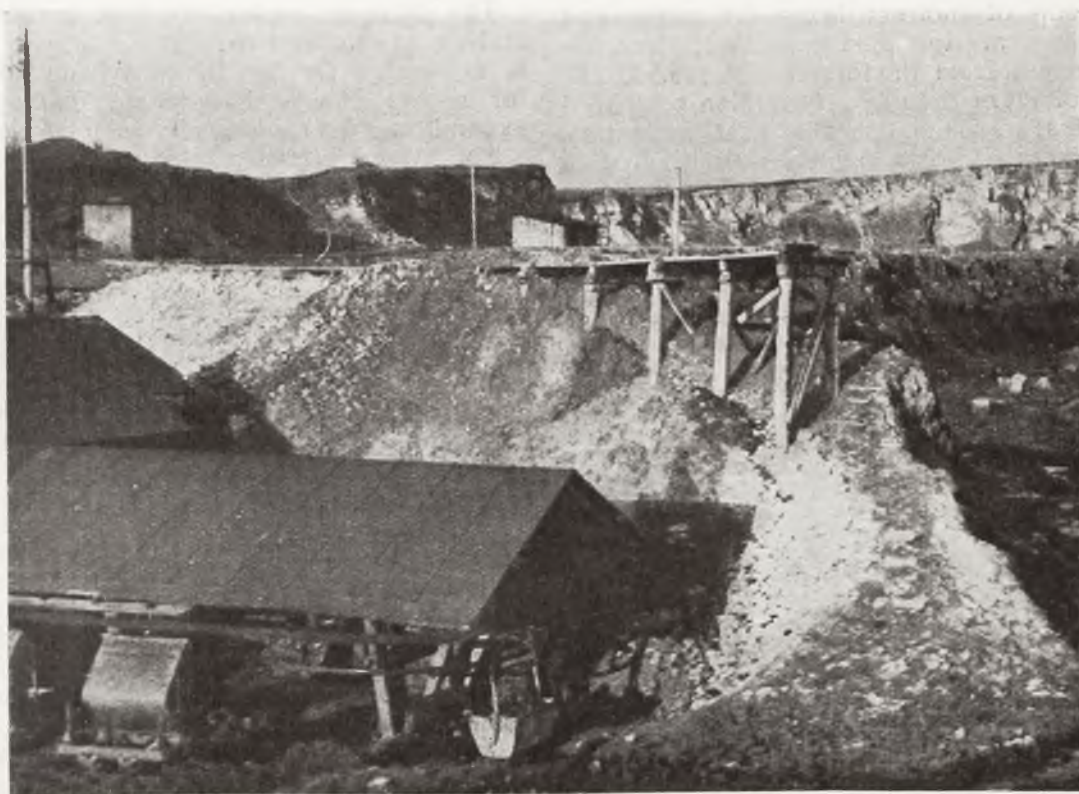
the payment of a bonus to State employees, amounting to zł 130,000.000, and to make grants to disabled soldiers, amounting to zł 18,000.000. Consequently, the actual budgetary surplus is reduced to zł 19,179.683.

The estimated revenue and expenditure for the fiscal year 1929/30 do not differ much from those for the year 1928/29 as the increases are 11.3 per cent on the revenue side, and 10.3 per cent on the expenditure side.

The provisional figures for the year 1928/29 show that the revenue amounted to zł 3 milliards and, the expenditure to about zł 2,620,000.000 (exclusive

The receipts from public levies which together with those from the State Monopolies represent the most important items on the revenue side, are estimated to bring in zł 1,601,660.000.

Although, as compared with the estimates for the year 1928/29, they are 22.5 per cent larger, the anticipated revenue must be regarded as quite feasible in view of the steady increase in the receipts from these sources. The proof of this is to be found in the fact that the actual revenue from the public levies for the fiscal year 1928/29 amounting to zł 1,737,815.000 is 8.5 per cent greater than the estimated amount for the year 1929/30.



THE QUARRIES OF THE CEMENT FACTORY "WIEK" AT OGRODZIEŃC (PHOT. S. PLATER)

of the bonus paid to the State employees); the increase in the estimates for the year 1929/30, as compared with those for the preceding year, is accounted for by the fact that the actual revenue and expenditure taken into consideration; and the normal development of the State administration as well as the increase in the economic activity of the country fully justified the above mentioned augmentation.

Passing to an analysis of the revenue we will deal with its component parts, that is, the receipts from the State administration, public levies, the State undertakings and the State Monopolies.

The administrative revenue, amounting to zł 284,189.004, is composed of receipts from the administration of justice, consular fees, the reimbursements made by the Ministry of Public Works in connection with communal work, the forest levy and the receipts from the Government-owned landed estates, now in course of liquidation.

A comparative statement of the revenue from public levies is given below (in thousands of zł):

	<i>Budget estimates</i>		<i>Actual</i>
	<i>1929/30</i>	<i>1928/29</i>	<i>1928/29</i>
Direct taxes	620.850	521.250	766.166
Indirect taxes	172.210	159.010	181.751
Customs duties	425.000	330.000	425.177
Stamp fees	195.600	165.070	198.933
Property tax	90.000	50.000	48.905
10 per cent Extraordinary Supplementary Tax	98.000	82.000	116.883
Total:	1,601.660	1,307.330	1,737.815

As the estimates have been prepared very conservatively, it is certain that the actual revenue will exceed the anticipated amount.

Analysing the different groups of revenue included in public levies, it should be stated that, amongst others, the direct taxes show a steady increase,

The estimated revenue from direct taxes is given in the following table (in thousands of zł):

	<i>Budget estimates</i>		<i>Actual</i>
	<i>1929/30</i>	<i>1928/29</i>	<i>1928/29</i>
Land tax	60.000	60.000	64.439
Industrial tax	250.000	210.000	350.496
Income tax	235.000	180.000	242.601
Other direct taxes	75.850	71.250	108.630
Total:	620.850	521.250	766.166

The steady increase in the revenue from the industrial and income taxes, which reflect the development of the economic life of the country, merits special attention.

In the group of indirect taxes the sugar and mineral oil taxes are the most important. Thus, the estimated amount from the former is zł 115,500.000, an increase of more than zł 10 million compared with the actual revenue for the past budgetary year. The Mineral Oil Tax, which is estimated to yield zł 24,500.000, gave zł 28,464.000 in 1928/29 though it was estimated at zł 22,500.000.

The revenue from customs duties is given below (in thousands of zł):

	<i>Budget estimates</i>		<i>Actual</i>
	<i>1929/30</i>	<i>1928/29</i>	<i>1928/29</i>
Indirect taxes	172.210	159.010	181.751

The following table shows the revenue from indirect taxes (in thousands of zł):

	<i>Budget estimates</i>		<i>Actual</i>
	<i>1929/30</i>	<i>1928/29</i>	<i>1928/29</i>
Import duties	377.000	280.000	379.279
Export duties	9.000	14.000	6.695
Various receipts	39.000	36.000	39.203
Total:	425.000	330.000	425.177

The considerable augmentation (by about 30 per cent) in the estimated revenue from customs duties is fully justified by the results obtained in the 1928/29 budgetary year.

Passing to an examination of the revenue from the State undertakings, it should be noted that, similarly as in the past 4 years only the net amount is given, while grants made by the Treasury to the undertakings appear on the expenditure side. The net income from the State undertakings in the 1929/30 Budget is estimated at zł 142,713.810, the corresponding figure in the 1928/29 Budget being zł 179,745.533. As regards the origin of the revenue, the State forests occupy the first place with zł 80,394.580, then come the State Railways with zł 68,374.300, and the Post Office with zł 15,094.200.

The somewhat small revenue from the State undertakings is to be attributed to the adoption of various investment schemes, especially in the case of the railways and the State forests. Comparatively small changes, as compared with the last Budget, occur in the revenue from the State monopolies which is estimated to yield zł 904,517.000. The increase of 3 per cent is justified not only by the actual results (zł 890,324.000) obtained in 1928/29, but also by an increase in the consumption capacity of the population.

It may be well to devote some attention to the expenditure foreseen in the 1929/30 Budget, the structure of which is much the same as that for the preceding year.

The division of the disbursements, with the exception of the State undertakings and monopolies into the different groups is given below:

	zł	%
Salaries, remunerations &c.	980,655.324	35.46
Expenditure on effects . . .	260,684.140	9.42
Capital investments	175,078.479	6.33
Special disbursements . . .	349,482.179	48.79
Total:	2,765,900.131	100.00

The increase under the first heading by zł 90 million, as compared with the estimates for 1928/29, is accounted for by the provision of allowances for rent to be paid to State employees, which expenditure did not appear in last year's Budget.

The largest changes take place in the estimates for capital investments and especially is this so when the State undertakings and monopolies are taken into account. The estimates for this purpose amount to zł 571,723.596, an increase of 22 per cent over the 1928/29 figures which were zł 469,170.207.

Taken as whole, the estimated expenditure is zł 259.5 million larger than in the previous Budget. This increase is, however, insignificant especially when it is borne in mind that the estimates include the above mentioned rent allowance amounting to zł 96.4 million and an increase in capital investments by about zł 102.5 million.

In summing up it should be stated that the execution of the Budget for the current fiscal year will not present any difficulty. This statement is based on the experience gained during the past few years which shows that the estimated revenue has been assessed with great caution and is quite feasible. Moreover, the Minister of Finance is armed with an exceptionally effective weapon i. e., monthly budgets which constitute a guarantee for budgetary equilibrium.

Article 4 of the Treasury Act empowers the Minister of Finance to open the estimated credits, that is, enables him to establish each month the maximum amount of expenditure and to regulate the disbursements by adjusting them to the anticipated revenue in any given month.

The efficacy of this system which ensures the maintenance of State expenditure within the actual revenue and, therefore, guarantees budgetary equilibrium, can be measured by the fact that since 1926 every month has been closed with a favourable balance.

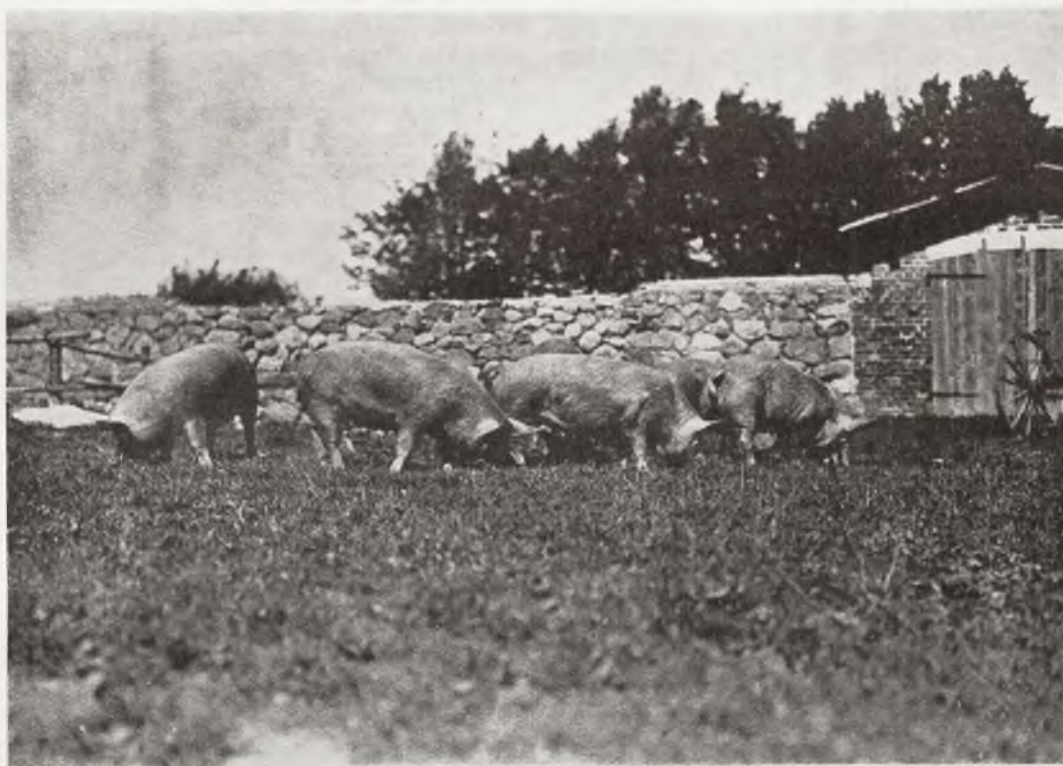
PROFIT-EARNING CAPACITY OF LARGE AND SMALL HOLDINGS

THE PROBLEMS encountered in working large and small farms and the results obtained from them have attracted the attention of economists for some considerable time. The main questions are: the

amount of capital involved, the results and the tendencies in production, the working capital, competitive power, profitableness and the amount of labour engaged, both from the point of view of the cost of production and the supply of work to the rural community which, as is well known, suffers from unemployment. It may be recalled, that these problems were dealt with by the founders of the modern socialist movement in connection with the theory of the concentration of capital, and statements were made to the effect that small holdings would disappear and would be replaced by State farms. But the development of small holdings

furnishes abundant material for observation all the more so as, recently, after the reduction of large estates to about 3 per cent of their area, a new experiment is being made whereby 1,000 State-owned farms designed to produce grain and comprising 4,000,000 ha are in course of organisation.

As regards Western Poland, statistical material based on the figures for the year 1926/27 covering the Poznań Voievodship is available in respect of 95 farms, varying in size from 250 ha to over 1,500 ha, and in respect of 44 small holdings ranging from 3 to 50 ha.



POLISH PEDIGREE PIGS AT THE GÓRA ESTATE, POMERANIA

in western Europe has overthrown this theory and it is worthy of note that in Belgium (Vandervelde) these initial views were abandoned, and small holdings have been recognized as being capable of development. At the same time, that is, at the beginning of the twentieth century, the investigations of Professor Lauer proved conclusively that small holdings, in point of productivity and profit-earning capacity, are superior to large farms and this a few years ago gave rise to a controversy between the investigator and certain German scientific circles; this controversy has been revived in the past few years, for German writers devote a great deal of attention to these matters.

The post-War period of agricultural reforms in many countries favoured the investigations into the two forms of husbandry, while the problem of food supplies to the towns and industrial centres caused non-agricultural circles to take an active part in the discussions. The upheaval in Russia

There are considerable difficulties in comparing the data for the two groups, which is largely due to the different system of calculation. The method of Professor Lauer, which was adopted in the case of small holdings, recognizes the necessity for the delimitation of the services rendered by the farmer to his holding and vice-versa, which is not duly accounted for in the calculations for the large estates.

In the latter category of farms, the capital outlay was arrived at by the adding to the disbursements of the amounts written off for amortization of machinery, buildings and improvements, while the gross revenue includes the value of new machinery, farm buildings and improvements. The internal movement of farm products and even payment in kind to the labourer, as also the theoretical remuneration for the work performed by the family, are not accounted for.

As it is impossible to work out the data regarding the large farms by a better method, we shall adapt

the figures for the small holdings to the formula employed for large farms. At the end of this article we shall give a statement of the results of small holdings arrived at under the method of Professor Lauer; the statement will also indicate the differences in the final results obtained under other methods of calculation.

As the Poznań Voievodship borders on Prussia, the figures illustrating the conditions in the latter area will also be given for the sake of comparison.

In the first place let us see how the former divides up his land. The proportion of soil destined for the production of the different crops does not vary much with the size of the holdings, except that the percentage of pasture land increases at the expense of arable soil with the size of the holdings, which is confirmed by the following table:

Holdings:	P r o d u c t i v e l a n d : (in percentages)				F o r e s t (in ha per holding)
	arable soil	meadows	pastures	various	
Small	88	7	4	1	1.13
Large	84	8	4	4	3.27

The proportion of arable soil devoted to each crop is as follows (in percentages of the area of arable soil):

Holdings:	Winter sowings	Spring sowings	Total grain sowings	Sugar beet	Potatoes	Total root plants	Pod and oil bearing plants	Cattle fodder	Various
Small	53	15	68	3	15	18	1	11	1
Large	36	24	60	11	17	28	5	3	4

It is seen that as the area of the farms increases, the percentage of arable soil under winter sowings declines and that small holdings devote 50 per cent more area to this purpose than the large holdings. On the other hand, large holdings devote about 50 per cent more land to spring sowings than the small ones. As regards root plants, large holdings are superior to small ones, the greatest difference being in the area under sugar beets. The cultivation of pod plants and oil-bearing seeds is on a large scale on the more extensive farms, whereas fodder is grown to a larger extent by small holders than by owners of large estates. The large percentage of arable soil under winter sowings in the case of small holdings indicates that they not only produce to meet their own requirements, but also to supply the towns. The considerable percentage under vegetable and root plants in the case of the large estates indicates that intensive farming is pursued, and that they work with the view to supply the agricultural industries such as breweries, sugar factories, distilleries, starch works, &c. Small holders employ about a half of their land for the cultivation of grain and large ones about one-third.

The crops obtained by large farms do not vary in proportion to the size of the area under cultivation; in the Poznań Voievodship, the grain crops on small farms were 20 per cent smaller than on large farms, and by about 9 per cent smaller in the case of root plants. In Germany, prior to the

War, the average grain crop on estates of over 150 ha were 3 per cent larger than on small farms, and 9 per cent larger in the case of root plants.

Draught animals (three bullocks = two horses) and live stock expressed in terms of mature cattle per 100 ha are given below:

Holdings:	Draught animals	Live stock
small	17.4	81.8
large	10.7	32.4

It is seen that there is a reverse proportion between the number of domestic animals and the size of the farm. The group of small holdings in relation to the area has 70 per cent more draught animals than large farms and it breeds two-and-a-half times more animals than the estate owners.

A small farm requires, comparatively speaking, a larger amount of labour, which disadvantage is further increased by the lack of organisation of the sale of farm products, and the ambition of the peasant to possess at least one horse. It is also a well known fact that small holders breed more cattle per ha than owners of large estates. The above figures represent a fairly accurate estimate for the Poznań Voievodship. The investigations carried out by Keup, based on the conditions prevailing on 103 German farms, showed that the proportion of horses on large and small farms was 1 to 2.1, and the number of cattle expressed in terms of mature cattle was 1 to 1.9¹.

The data concerning the amount of labour used by small holders may be regarded as accurate, but they are incomplete in so far as large estates are concerned. This is due to the fact that only permanent workers are accounted for and the seasonal and hired workers are not included in the returns. In preparing analogous statements for small farms, we have, of course, duly taken into account the members of the farmer's family, excluding children under 14 and persons temporarily staying at the farms.

Under these conditions the following figures per 100 ha of productive land are obtained:

Holdings:	Permanent workers
small	49.3
large	21.2

Generally speaking, the proportion of manual workers decreases as the size of the farms increases — but in the case of large estates the variations are very small. The above figures indicate the number of manual labourers engaged on small farms, quite apart, of course, from the degree of employment of the hands. The above mentioned German writer states that in the area of his investigation the ratio of men employed on large and small farms was 1 to 1.6.

Let us now pass to the data obtained from agricultural accounts and let us examine the gross revenue, its component parts and sources. It is

¹) *Gross und Kleinbetrieb in der Landwirtschaft*, P. Pagel, Berlin, 1922.

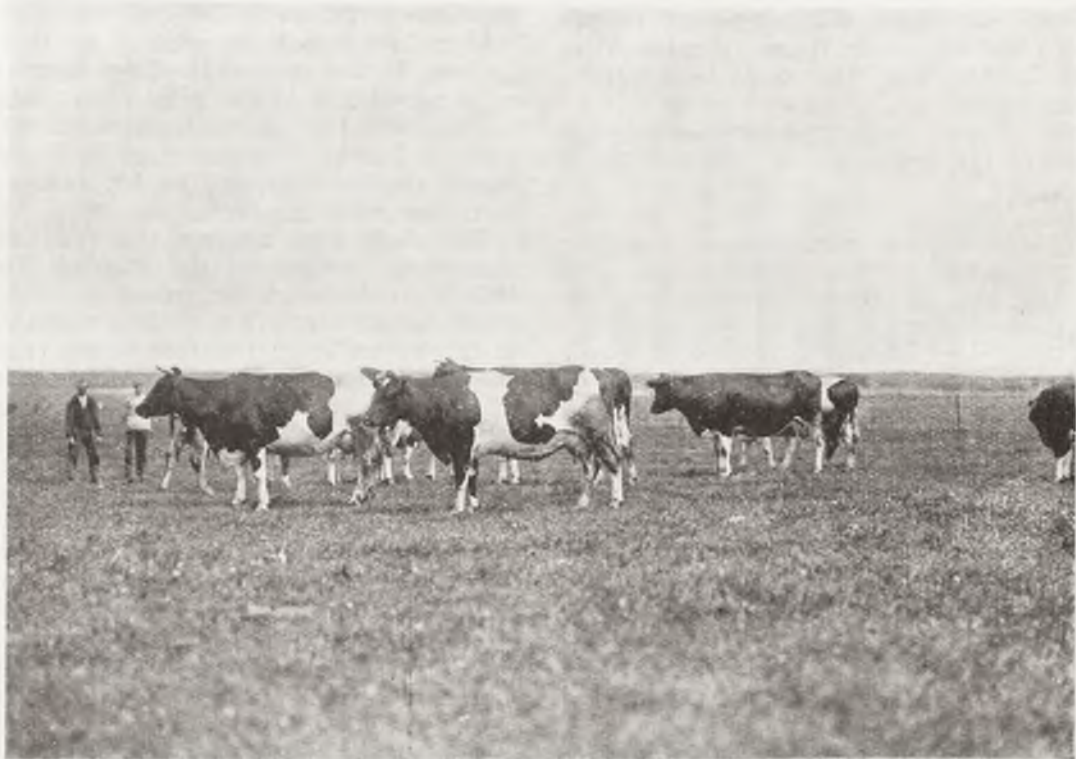
clear that small farms, proportionately, are much more burdened by the maintenance of the farmer's family than the large ones. This will be borne out by the figures given at the end of this article.

Gross revenue (in zł per)			
Holdings:	Increase in capital invested in machin- ery, buildings, improvements, &c.	Income in cash	Total gross revenue
small	20	397	417
large	23	550	573

The figures under the first heading do not show a large difference, whereas those under the second

covering the two groups of farm show that the revenue from vegetable production is three times greater in the case of large than in that of small farms; as regards animal production, however, the revenue of small farms is two-and-a-half times larger than that obtained by the large. According to Stumpfe, in Germany, vegetable production represent two-thirds of the total revenue of the large estates, while for small farms it is only one-fourth, which is less than in Poland, where the corresponding figures are three-fourths and one-third.

It is also interesting to know the part played in the revenue from the groups, which are given below (in zł per ha):



PEDIGREE COWS AT THE GÓRA ESTATE, POMERANIA

and third indicate a marked advantage in favour of large farms.

A comparison of the revenue yielded by vegetable and animal production as also by products for agricultural industries will enable us to form an opinion of the component parts of the gross revenue of the large and small farms.

Gross revenue (in zł per ha of productive land) (In percentages of the total)						
Holdings:	Vegetable products	Animal products	Indus- trial pro- ducts	Vegetable products	Animal products	Indus- trial pro- ducts
small	148	250	38	15	85	—
large	408	105	—	73	19	8

Revenue from own industrial plants is only noted in the case of large farms. The average figures

Holdings:	Grain	Root plants	Other crops and sundry revenue	Live stock	Milk, eggs cheese,
small	101	38	9	195	54
large	171	193	44	76	31

Revenue from grain and root plants increases with the size of the farms. The returns yielded by livestock, milk, cheese and eggs, are greater on small than on large farms. As the revenue illustrates the economic intercourse between the agriculturists and the market, we see that large farms supply, per ha of productive land, 70 per cent more grain and 500 per cent more root plants than small farms, and that the latter furnish 250 per cent more livestock and 150 per cent more dairy products and eggs than large estates.

Passing to an analysis of expenditure, it should be recalled that the cost of labour appears under

the heading of cash disbursements and is very small as far as small farms are concerned. At the end of this article we shall give the basic returns, accurately worked out obtained by the small farms situated in the Poznań Voievodship.

Expenditure:
(in zł)

Holdings:	Amortization	Cash disbursements	Total
small	63	205	269
large	34	475	509

The expenditure and its component parts decreases as the size of the farms increases. The amortization of machinery, implements and buildings is double the amount on small farms than it is on large; on the other hand, the cash disbursements of the latter are two-and-a-quarter times greater than those of the former, and the total expenditure about twice as large.

An analysis of the cash disbursements gives a true picture of the expenses of farmers (in zł per ha):

Holdings:	Fertilizers	Seeds	Livestock	Labour (incl. health insurance, &c.)	Maintenance machinery	buildings	improvements	Industry	Taxes	Fuel
small	21	38	36	19	31	17	3	—	11	23
large	82	67	39	137	45	18	2	17	16	19

Under the heading of seeds are included the disbursements on high grade fodder and under live stock come those on breeding in general.

As can be seen from the above table, the consumption of artificial fertilizers in the Poznań area is four times larger on large farms, and the purchases of seeds and fodder twice as large as on small farms. Thus, although the average expenditure does not differ very much in the two categories of farms, yet its composition indicates that large farms are operated more intensively than small holdings. The cost of labour appearing under the heading of cash disbursements increases with the necessity for hiring labour, but the total cost of labour decreases gradually with the size of the farm provided that payments in kind on large farms, which are calculated in the cost of food in the case of small farms, are left out of account. If, however, the part of the wages paid in kind to the workers on large estates is included in the accounts, then commencing with the farms of from 15 ha to 30 ha, the cost of labour in the two categories would differ very little. The maintenance of farm effects is 50 per cent greater on large farms than on small farms, which indicates that the machinery and implements are more carefully looked after. The cost of repairs to buildings is the same for the two categories. The expenses resulting from the operation of agricultural industrial works, general expenses and insurance premiums, rent, and taxes, are greater in the case of large estates. The difference in taxes comes to about 50 per cent. Finally, the amount spent on fuel and

lighting grows parallelly with the size of the large estates.

Now we shall compare the results of farming. The net revenue representing the difference between the expenditure and the gross revenue for farms situated in the Poznań Voievodship in the 1926/27 agricultural year was as follows (in zł per ha of productive land):

Holdings:	Net revenue	Interest on loans
small	149	5.4
large	64	21.8

On the whole, the net revenue increases as the size of the farm declines, and is 250 per cent larger in the case of small farms as compared with the large ones. The net revenue of the small holders represents one-third of the total gross income. In the case of the large farms it represents only one-eighth of the total cash disbursements.

The debts of small holders and the interest paid on loans is smaller than in the case of large farms, the ratio being 1 to 4.5, and is proportional to the area of the farm.

We shall now analyse the results obtained by the small holders in the Poznań Voievodship in 1926/27 calculated according to the method of Professor Lauer. This method takes into account in the expenditure the theoretical remuneration of the family for the work performed, also the cost of food on working days, and wages of hired labour, including the value of the payments in kind to permanent workers. The expenditure as calculated by Professor Lauer is larger in this respect than that mentioned above, but it does not take into account the value of the store cattle purchased for re-sale. The difference between the purchase and sale price of store cattle is placed by Prof. Lauer in gross revenue, which also contains, *inter alia*, the value of the products delivered by the farm to the kitchen and the workers, and in general services rendered by the farm to the family of the farmer.

In this way, the gross revenue of small holders in the Poznań Voievodship per ha is as follows: vegetable production zł 273, animal production zł 389, other income zł 677; the value of the products used by the farmer and his family represents 36 per cent of the gross revenue and 64 per cent of the total sales. The expenditure amounts to zł 498 per ha, of which zł 279 represents the cost of labour. The net return amounts to zł 180. According to this method, the gross revenue from small farms is greater than that from the large estates which amounts to zł 573 plus payments in kind to the workers, and the use of farm products, and various services rendered by the farm to its owner. The expenditure is, however, smaller and the net revenue per ha is larger; the disbursements on labour, despite the incomplete data for large estates, is greater. In the Poznań area two-thirds of the gross revenue originates in the supply of farm products to the market. It is true, that the cash income of large estates is one-third greater than that of small holdings, which

illustrates the conditions of sale of farm products. It is certain, however, that with the advancement of the small holdings, their ability to supply foodstuffs to the town will increase. The significance of small holdings in the economic life of a country is seen in Denmark, where over 90 per cent of the production of the small holdings is marketed. The investigations of Keup based on German statistics show that the ratio of the sales of farm products made by the large estates and small holdings is 1 to 2. The data of the Swiss Secretariat indicate that 80 per cent of the gross revenue of the Swiss peasants originates in the marketing of farm produce.

As regards the competitive power of estates and small holdings it is essential to know what possibilities there are for the large and small farms under the existing conditions.

It is seen from the above considerations that large farms are superior as regards the methods employed in actual farming and the volume of products marketed per ha. In view of the fact that the value of the payments in kind made to the workers on the large estates is not accounted for, the cost of labour is larger than on small farms up to 15 ha. Nevertheless, small holders employ, comparatively speaking, twice as many permanent workers as large farms. On the other hand, the gross revenue is larger from small farms than the large ones, and the net profit is twice as large. Viewing the two groups of farms from the financial standpoint, one comes to the conclusion that despite the employment of better methods and despite the better conditions ruling for vegetable than for animal production, the final results of the large farms are not as good as those of the small holdings.

In conclusion it should be stated that the investigations carried out in the Poznań area prove conclusively that small farms have better prospects for development than large estates.

THE POLISH AEROPLANE INDUSTRY AND ITS DEVELOPMENT

AFTER THE restoration of Poland all industries were in a state of utter ruin. Owing to the War, factory buildings were destroyed and machinery, for the most part, requisitioned and taken away by the German and Austrian authorities. The few industries that were left were in a very difficult situation, especially as they had lost their old natural outlets.

The War industries which were built up in other countries could not be created in Poland because the industrial parts came within the fighting zone, besides which Germany and Austria had their own industries which were sufficient for them. One can imagine, therefore, the difficulties which Poland had to encounter in creating an aeroplane industry.

Prior to the War aeroplane construction was in its infancy and the production of flying machines was concentrated in a few small workshops. The War with its vast needs compelled the belligerents to make enormous efforts both financial and intellectual in order to perfect and produce aeroplanes in sufficient numbers, but fortunately for them they had both the means and the skilled workmen to accomplish the work.

Poland, however, in 1919, was not in this fortunate position as her industries had, to a great extent, been destroyed and the skilled personnel was lacking so that she had to commence the construction of flying machines under great difficulties, and it is work which requires great care in design, conscientious workmanship and the very best material. The basic problem in this work was the selection of the right type of men.

There was a handful of men who had the necessary qualification as they had been engaged in the alien armies in aeroplane work, and it is thanks to their strenuous efforts that the Polish military planes were kept serviceable during the war with Russia.

Some of them left the ranks and turned their attention to aeroplane construction. At the same time the military authorities sent a number of officers abroad, mostly to the Ecole Supérieure d'Aéronatique in France, in order that they should study this branch of science and gain the necessary experience.

Owing to the lack of men and factory plant it was difficult for the Government to satisfy the country's requirements for aeroplanes and the initiative was not in the hands of industrialists and government departments, but passed into those of financiers who were interested only in the financial aspect of the proposition. Their object was not to produce good machines but to make a good business. This was one of the main reasons of the small progress made in aeroplane production in Poland.

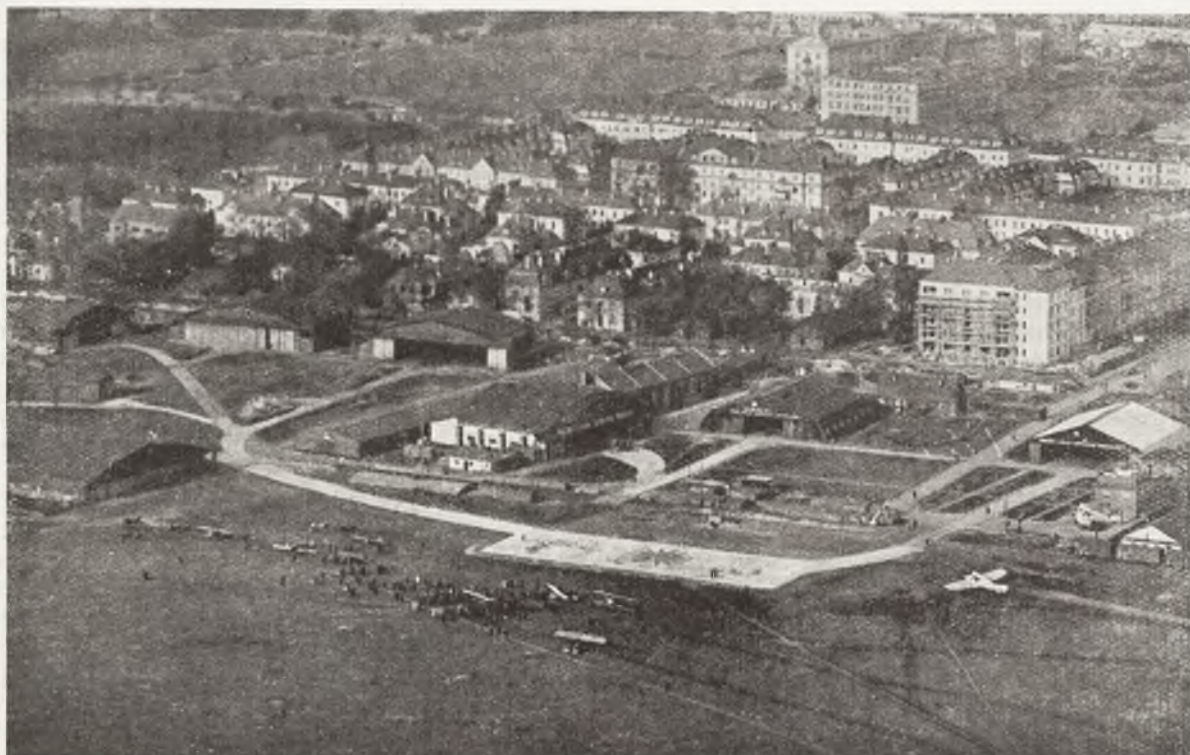
The Government decided to acquire licences to manufacture the best foreign types of machines and to organise a factory for the production by series, the ultimate aim being to produce Polish types of flying machines, and in this way be independent of foreign suppliers. This method, though slow, had to be resorted to because, as already stated, the number of specialists was limited and because Poland could not afford to be deficient in aeroplanes.

The least complicated work on an aeroplane is the fuselage and wings and work was commenced on the manufacture of these. It may be recalled, that at the present time there are four types of aeroplanes in the world: a) wooden constructions with metal parts, b) wood and steel constructions (steel parts welded), c) constructions of light metals and d) steel constructions. The last mentioned type, as is well known, is of recent design. Of the four types each possesses its advantages and shortcomings. We shall not discuss here which of these types is the best; all of them are more or less equal as regards safety if they are built conscientiously and if the design is not faulty.

As regards Poland, to start with, it was necessary to select a type which could be manufactured from local material and by local labour and, therefore, the wooden type was naturally selected. The type of observation and scouting machines having been selected by the Army, the firm of Messrs. Plage & Laszkiewicz at Lublin started producing fuselages and wings. The first attempts were disappointing as the military authorities had not chosen the right types, and the producers lacked the necessary skilled staff to control the construction of the machines; with the passage of time, however,

foreign licences give excellent results. To-day, Poland possesses aeroplanes designed by her own nationals which have proved to be of great value, so that the purchase of foreign licences will no doubt be discontinued in the near future.

The manufacture of fuselages is only a portion of the aeroplane industry. There remains still the manufacture of material and semi-finished products necessary for the other parts. The difficulties connected with the selection of material is illustrated by the very fact that Poland, a country with extensive forests, experienced for a time



A VIEW OF THE WARSAW AERODROME (PHOT. S. PLATER)

the skilled staff increased, improvements were made in the factory, and aeroplanes were successfully produced, while a number of other factories were organised. These, profiting by the mistakes made by the first factory, were successful from the beginning, and the machines delivered entirely satisfied the requirements of the army and they made rapid progress. Unfortunately this young industry had to pass through a severe crisis owing to the depreciation of the Polish currency. A considerable time had to elapse from the signing of the contract to the execution and thus the prices fixed at the time when the zloty was at par — were paid in depreciated zloty, which caused the factories enormous losses and the suspension of operations seemed inevitable. Thanks to the intervention of the Government this catastrophe was avoided, and to-day all the works are in action and making steady progress.

The most trying time for this industry has been overcome, and the machines built locally under

a shortage of suitable timber. The same remark applies to steel and linen fabrics. The timber used must be of the highest quality and must be dried for a considerable time. In short the materials used, even the simplest, must be much superior to those employed generally and much trouble was caused in obtaining these in the quality required. There remained the problem of aerial engines, the production of which, as is well known, involves large capital and long experience. Progress in this respect runs parallel with the development of the motor car industry and in Poland this industry is still in its infancy and, therefore, the production of aerial engines encountered great difficulties. A special factory had to be built because the army could not be left dependent on foreign manufacturers.

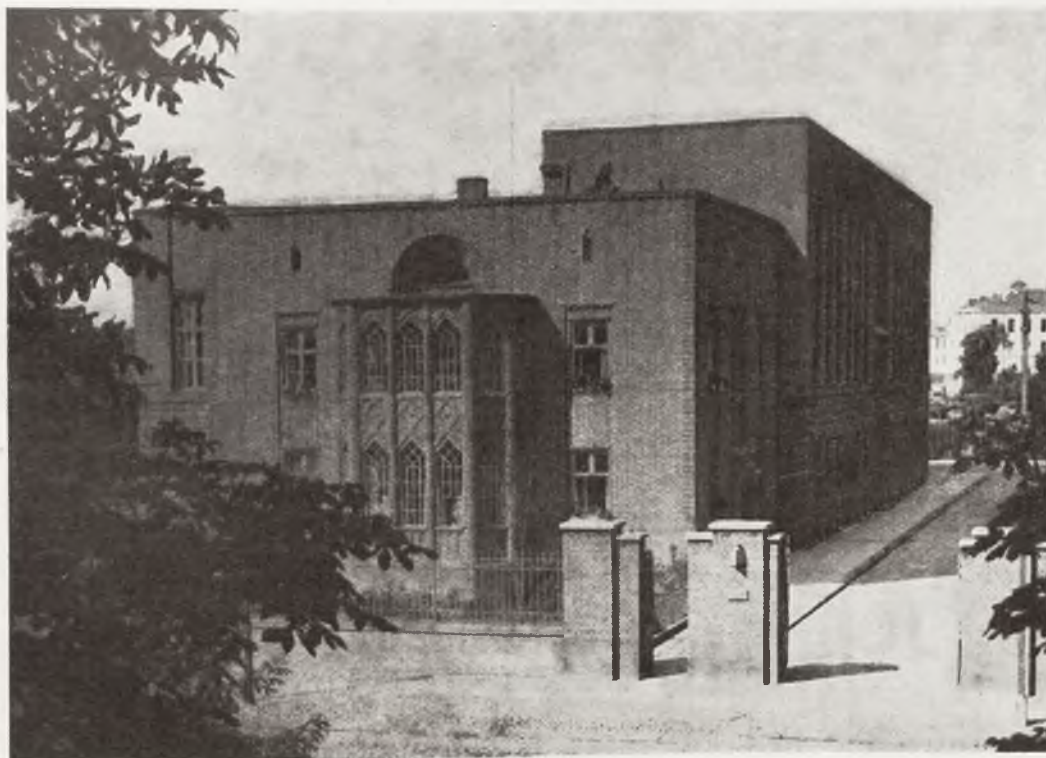
The Government, therefore, concluded a contract with the "Franco-Polish Aeroplane Works". This firm was organised for the production of fuselages and engines. This contract did not yield any results as it was based on the assumption

that deliveries would be on a large scale, but the group of financiers did not possess the necessary means for carrying out such a large scheme.

After lengthy negotiations the plan was abandoned for an indefinite time; in 1925 the Government signed a new contract with this group which again left much to be desired owing to the shortage of money. The capital of this company was to be raised with the assistance of all the French aeroplane firms under the name of "Consortium".

The consortium were to levy a certain percentage on all aeroplanes purchased by Poland in France

this firm which took over the assets and liabilities of the „Franco-Polish Aeroplane Works” and started without delay the manufacture of the first Polish aero engines. The first engine produced under licence was the Lorraine Dietrich of 450 HP. Engines of this type manufactured entirely in Poland showed in practice great reliability, as witness, amongst others, the visit of Polish airmen to the Baltic countries which was performed on aeroplanes fitted with engines of Polish construction. Further developments in the construction of aero-engines follow the same lines as was fixed at the



THE AERODYNAMIC INSTITUTE, WARSAW (PHOT. S. PLATER)

and the sums thus obtained were to represent their share in the new „Franco-Polish Aeroplane Works.”. The Polish Government, however, decided that it did not need an intermediary for the construction of a factory in its own country and at its own expense and, after lengthy negotiations, the contract with the "Consortium" was dissolved.

The inactivity of the „Franco-Polish Aeroplane Works” continued throughout 1925 and, as there was a shortage of capital on the Polish money market, the Government abandoned the idea of being able to produce aeroplane engines with its own resources. Consequently the Government invited foreign firms to submit tenders for the construction in Poland of an aerial engine works. The most advantageous was the offer of the Czechoslovakian firm "Skoda", which gave not only financial and technical guarantees, but also left the Government a free hand in the selection of the types of machines to be built.

At the end of 1926, a contract was signed with

beginning in regard to fuselages, but here the progress is more difficult to achieve and, above all, more costly and therefore much slower. At the present time the prospects for the production of powerful engines of Polish types are not encouraging. Therefore, the policy of purchasing foreign licences will have to be continued. On the other hand profiting by experience, it has been decided to produce engines for training aeroplanes. Trials in this connection have already yielded good results.

The manufacture of the accessories and fittings necessary for the completion of an aeroplane requires a great deal of specialisation and must be conducted on a large scale if the prices are to be competitive and the profit earned large enough to amortise the outlay on the necessary machinery. Under Polish conditions, this problem was a very intricate one and very difficult to solve, but substantial progress has been made, although there is still room for improvement.

When the great variety of material used in the manufacture of aeroplanes is taken into consideration, one can easily imagine how difficult and complicated is their technical control; this is confined to the supervision of factories when production is in full swing, for in the initial stages the military controllers co-operate with the manufacturers in order to obtain the best possible results.

The institution which in general shapes the policy to be followed by designers and manufacturers in the "Institute for Aerial Technical Research" which fixes the technical standards for the materials employed, formulates the needs of the army and examines the types of aeroplanes destined for the Flying Corps. This Institute as well as the military controllers must co-operate with the manufacturers and see that the machines delivered correspond to the standards. The Institute is assisted by professors of the Warsaw Polytechnic and a section of the Polytechnic, the Aerodynamic Institute is directed by Professor J. Witoszyński, who is a well known authority on aeroplane construction.

There is no exaggeration in saying that the foundations of a Polish aeroplane industry have been laid. Self-sufficiency in the basic branches of production has already been attained and the time is not far distant when Poland will have her own designs and will free herself from dependence on foreign countries.

THE ECONOMIC PROGRESS OF THE FREE CITY OF DANZIG IN 1928

THE FREE CITY of Danzig on account of its inclusion in the customs boundaries of Poland is now a portion of the Polish economic organism, and its development depends entirely upon economic conditions of Poland. Despite the existing separate currency, administration and taxation systems, &c., the Free City of Danzig cannot be regarded as a separate economic unit.

Danzig realises its economic dependence upon Poland and is gradually making efforts to adjust itself to the conditions resulting and to become an active factor in Polish sea-borne trade. This policy was not in existence during the first years, but it developed gradually as the necessities of daily life proved more and more the common interests of both Poland and Danzig. It is a wellknown fact that the improvement in the economic situation of Danzig began at the same time as Polish trade and industry revived and general prosperity made headway.

Consequently, similarly as in Poland, the year 1928 was for Danzig a period of further stabilisation and consolidation of economic conditions. One of the proofs of this was the maintenance of the discount rate on the same level throughout the whole year. It may be recalled that since the middle of 1927 the rate of discount has been kept at 6 per cent, and interest on loans against

securities at 7 per cent. Thus, when it is borne in mind that at the beginning of 1924 the discount rate was 12 per cent and interest on loans against securities 14 per cent, there is no exaggeration in stating that the situation of Danzig has undergone a radical change for the better during the past few years, while the fact that the above mentioned rates have remained unchanged for a period of 18 months testifies to stability having been attained. The value of money in circulation also showed very little change, although there was a slight upward tendency, while the fluctuations in the different months of the year were normal. This statement is corroborated by the following figures (in Guld. at the end of the years):

1924	31,912.470
1925	34,616.785
1926	35,717.970
1927	36,007.515
1928	39,415.575

During the same period the value of metal coins in circulation did not vary much, amounting to about Guld. 8 million.

In view of the fact that prices during this period kept steady, the increase in the value of the notes in circulation indicates that economic life was developing. The cover for the notes issued by the Bank of Danzig as at December 31st of the different years was as follows (in percentages):

	C o v e r		
	gold	additional	total
1924	57.33	62.91	120.24
1925	48.18	54.96	103.14
1926	55.82	53.56	109.38
1927	38.25	67.62	105.87
1928	46.30	61.59	107.89

The Bank build up a considerable currency reserve which amounted to Guld. 24,414.375 on December 31, 1928. In addition, the Bank employed for the transaction of ordinary business a portion of the loan received from England in 1925, the Loan of the Tobacco Monopoly in 1927, and that obtained by the Port Authority in the same year which, taken together, amounted to Guld. 10,004.000 on December 31, 1928. As the Gulden is based on English currency it followed the fluctuations of the Pound Sterling.

The discount credits granted by the Bank of Danzig in 1928 declined considerably, as compared with the preceding year, due principally to the private banks having increased their share of the business. The position as regards discount credits is given below (in millions of Guld.):

	Dec. 31st 1926	Dec. 31st 1927	Dec. 31st 1928
Total	28.3	56.3	65.3
including:			
Bank of Danzig	11.1	18.5	12.1
German banks .	16.1	34.5	46.2
Other banks . .	1.1	3.3	7.0

It is seen that the change in favour of private banks is striking, and that the latter are playing

an increasingly important rôle in the discount business. Bearing in mind the value of bills in portfolio at the Bank of Danzig and the increase in foreign currency reserves and banknotes in circulation, it may be stated that the rise in money in circulation was due to the inflow of foreign exchange which means that the business circles of Danzig employed largely foreign credits and increased their own capital reserves thanks to the rise in the amounts coming from abroad. It is

number of unemployed in the least favourable month, February, was 16.819 and in August, the best month of the year was 7.695. It should be stated in this connection that about 20.000 workmen settled in Danzig during the War, coming from distant localities in order to find work in the various war industries situated within the present boundaries of Danzig. These industries do not exist any more, but the workmen have found employment in other branches, and this constitutes an additional



INTERIOR OF A WAREHOUSE AT DANZIG (PHOT. S. PLATER)

interesting to note that of the foreign bills of exchange discounted at Danzig, those in zloty represented a sum of zł 32.6 million that is 18.8 million, or 42.3 per cent of the total. The past year was marked by a further growth in the capital reserves and the deposits with private banks on December 31st of the different years were as follows (in millions of Guld.):

1925	75.5
1926	95.5
1927	123.5
1928	"

All the above data testify not only to a general stabilisation, but also to distinct progress attained in the economic life of Danzig in the year 1928. A steady improvement is also seen in unemployment as the figures show a downward tendency from year to year. In 1926, the maximum number of registered unemployed was 22,441 and the minimum 11,906, while the corresponding figures for the year 1927 were 18,492 and 8,297 respectively. In 1928, conditions improved to a still larger extent as the

proof of the economic development and progress of Danzig during the past ten years.

In general, workmens' wages remained stable throughout 1928; the increases granted were the result of negotiations between the employers and the employees and no strike was recorded.

An analysis of economic indexes shows steady progress. It is true, that the number of bankruptcies rose from 34 in 1927 to 43 in 1928, but this was caused to a large extent by the crises in the separate branches which will be dealt with below, and can by no means be regarded as characteristic of the general business conditions of Danzig in that year.

Passenger traffic plays an important part in the life of Danzig, and grows from year to year. The total number of visitors was 74,583 in 1926, 80,038 in 1927 and 89,849 in 1928. The latter number included 37,177 visitors from Poland.

It is worthy of note that the statistical returns take into account only those visitors who are obliged to register; if the visitors who came for less than one whole day were included, the figure would be much larger.

As regards the different branches of business, the principal is port traffic as it is the base of the progress of Danzig. The movement of vessels in 1928, as compared with the preceding year, was as follows.

<i>A r r i v a l s :</i>		
	<i>vessels</i>	<i>net reg. tons</i>
1912	2.992	970.653
1925	3.986	1,869.979
1926	5.967	3,432.480
1927	6.950	3,899.854
1928	6.927	4,073.144

The figures for the year 1928 do not account for coastwise traffic. The amount of goods handled also showed an increase, as can be seen from the following figures (in tons):

	<i>Imports</i>	<i>Exports</i>	<i>Total</i>
1912	1,141.455	1,311.757	2,453.212
1925	640.779	2,031.969	2,722.748
1926	640.696	5,659.605	6,300.301
1927	1,517.194	6,380.420	7,827.614
1928	1,730.000	6,755.000	8,485.000

It is seen that the total volume of merchandise rose in 1928, despite the fact that the export of timber showed a marked falling off. The export of grain, too, was on a smaller scale due to the export prohibition of the chief varieties of grain which was in force throughout the year. On the other hand, both imports and exports of other classes of goods such as ores, scrap iron, pyrites, coal, &c. rose considerably which compensated for the fall in grain and timber exports. Of not lesser interest is the fact that the rôle of Danzig in Poland's foreign trade becomes more and more important. The share in the imports and exports of Danzig in the total imports and exports of Poland is given below (in percentages):

	<i>Imports</i>	<i>Exports</i>
1922	11	5
1923	20	6
1924	30	10
1925	20	15
1926	26	25
1927	31	31
1928	31	33

The results obtained in the course of the past few years are all the more significant because the port of Gdynia has started operations. Consequently, the increase in the business done through Danzig proves beyond doubt that the two ports are developing parallelly and that Gdynia is not growing at the expense of Danzig. In this connection it may be of interest to give the opinion of one of the most prominent representatives of the economic interests of Danzig, Professor Noye, who in one of the Danzig papers published his views on the Danzig-Gdynia question:.... „The interests of the two ports should be regarded as common for, it

appears to be certain that the vast territory of Poland can provide enough work for the two harbours. If this is so, a way for co-operation and friendly understanding in the interest of Danzig and Gdynia should be found".

The navigation on the Vistula also showed a certain increase. Transport up to the river amounted to 179.743 tons, as compared with 169.410 tons in the preceding year, and down the river corresponding figures were 164.785 tons and 154.747 tons respectively.

The development of the port of Danzig will no doubt be facilitated by the through railway rates to Danzig which have been introduced during the year. The Polish-Danzig Agreement in this matter as also that whereby Danzig has conditionally been given the docks at Westerplatte represent two important items in the balance sheet of the economic relations between the two parties for the year 1928. In connection with the development of Polish foreign trade Danzig found a large field of activity as intermediary between the Polish and foreign traders. Import of foodstuffs and groceries showed a considerable increase, particularly at the beginning of the year, when importers brought in as much as possible in order to avoid the payment of the higher duties resulting from the adjustment of the rates to the new monetary unit. The import of herrings was about the same as in 1927, when it amounted to 90.000 tons, but some portion of this quantity was re-exported to Rumania. Exports of grain, as already stated, were on a small scale and, for the most part, were confined to barley. Imports of wheat and rye were 130.000 tons and 20.000 tons respectively.

For the first time for many years large shipments of sugar, amounting to over 170.000 tons, were directed via Danzig and gave additional employment to the forwarding business. The export of timber showed a falling off, due principally to the conclusion of the Polish-German Provisional Timber Agreement which resulted in a decrease in the shipments of timber to overseas markets. The transit of Russian and Rumanian timber was carried on under favourable conditions.

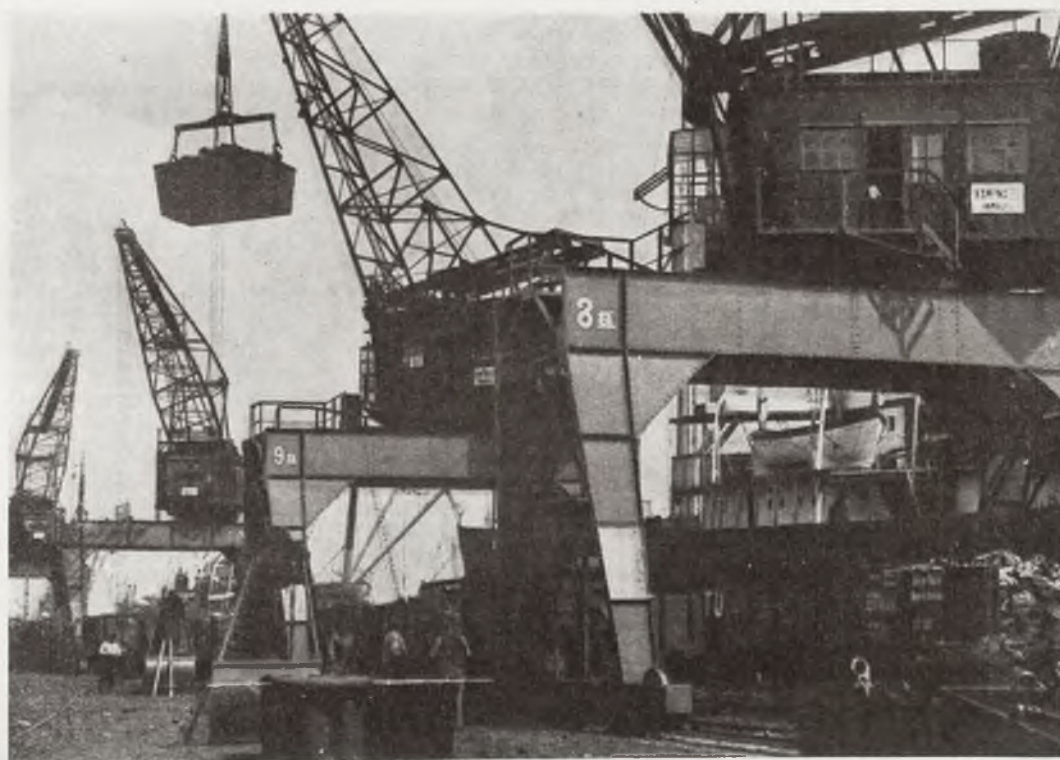
Danzig industries progressed steadily and worked mainly for the Polish market. The stabilisation of economic conditions constitutes an inducement for foreign capital to invest in Danzig, and that it is being taken advantage of is seen in the decision taken by the Borvisk Company to erect an artificial silk factory there, which will give employment to about 1.000 workers.

Of the existing industries the most important to Danzig is the shipbuilding. The general crisis through which shipbuilders are passing now affected Klawitter & Schichau who, however, were able to secure some orders. The International Shipbuilding and Engineering Company, in which Polish capital is engaged, enjoyed a good year, due mainly to the fact that its production is varied, comprising the construction of ships, engines, machinery and other metal products, for which there was a large demand from Poland.

The sugar industry is composed of three factories which produced about 28.500 tons in the 1927/28 campaign, as compared with 22.800 tons in the preceding year. The chocolate industry made some progress, the output being increased to 225.000 kg. of which 150.000 kg. were placed on the Polish market. The output of tinned fruit and vegetables, margarine and soap was, for the most part, put on the Polish market. In the chemical industry, the production of superphosphates occupies a prominent position and they are sold both at home and abroad.

The manufacture of colours and varnishes made satisfactory progress as a result of the increased building activity.

complained of the formation of export syndicates in Poland, whereby the Danzig trader is eliminated as an intermediary in Polish foreign trade, but these reproaches are based on a certain misunderstanding, the proof of which is to be found in the fact that the Polish industrialists complain of the inactivity and lack of enterprise on the part of Danzig merchants in finding new outlets for Polish products. There is no doubt that with the gradual development of commercial relations between the Danzig merchants on the one hand, and the Polish producer and consumer on the other, business circles in Danzig will derive substantial profits. Of course, it is of great importance that Danzig



LOADING APPLIANCES AT THE PORT OF DANZIG
(PHOT. S. PLATER)

The farming community, despite complaints against Polish competition, is prosperous. The area under cultivation rose from 133.000 ha to 141.000 ha, large increases being recorded in beans, potatoes, sugar beet and clover. Last year's crops were excellent and the harvest was completed earlier than usual, so that the bulk of the production, and especially of wheat, was sold in Poland at remunerative prices.

Stock raising, which is conducted on a large scale made, further progress during the year.

Speaking generally, it may be stated, that the economic situation in Danzig, thanks to its being linked up with Poland, shows steady and rapid progress, while at the same time there is a distinct tendency towards tightening the economic bonds with Poland. It is true, that Danzig merchants

trading circles are beginning to realise that it is up to them to take the initiative; by so doing they will be able to secure a larger share of the Polish foreign trade.

A satisfactory evolution in the spirit of the Danzig people and the recognition of the fact that Poland and Danzig have common interests, was reflected during the Polish-German negotiations for a Commercial Treaty when Danzig openly opposed the German claims for the unification of railway rates to the Polish and German ports and laid stress on the necessity of co-operation between Polish and Danzig trade and industry. This is one of the proofs that Danzig is beginning to recognize the necessity in daily life for a close co-operation with Poland, and that its prosperity depends on the economic development of Poland.

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej")

from March 15th to April 15th, 1929

Export duty on timber ("Dz. Ust. R. P." No. 15, item 126).

Customs duty on husked rice ("Dz. Ust. R. P." No. 15, item 127).

Storage charges levied by the State warehouses at Gdynia ("Dz. Ust. R. P." item 15, No. 128).

Amendment of the legislation concerning the protection of the interests of lease holders of small farms ("Dz. Ust. R. P." No. 16, item 134).

Prohibiting the employment of the names of French regional wines for wines of local production ("Dz. Ust. R. P." No. 16, item 136).

New statutes for the Western and Pomeranian Chambers of Agriculture ("Dz. Ust. R. P." No. 17, item 140 and 141).

Customs duty refund when exporting cyanide compounds, ferrocyanide, blues, and lye ("Dz. Ust. R. P." No. 19, item 180).

Post, Telegraph and Telephone charges ("Dz. Ust. R. P." No. 19, item 181).

The Treasury Act covering the period from April 1, 1929 to March 31, 1930 ("Dz. Ust. R. P." No. 20, item 183).

The value of the debenture bonds of the State Land Rente, expressed in gold zloty, for the year 1929 ("Dz. Ust. R. P." No. 20, item 210).

Introducing, in certain parts of the Republic, State Supervision over bull breeding ("Dz. Ust. R. P." No. 20, item 211).

Granting the necessary powers for the ratification of the Polish-German Convention signed at Pila on March 14, 1925, concerning the administration of the sections of the rivers Noteć (Netze) and Głda (Küddow) forming the frontier line between the two countries, as also concerning navigation on the above mentioned section ("Dz. Ust. R. P." No. 21, item 213).

Granting the necessary powers for the ratification of the Convention and Agreements of the International Postal Union, signed at Stockholm on August 28, 1924 ("Dz. Ust. R. P." No. 21, item 214).

Import prohibition on wheat and rye flour ("Dz. Ust. R. P." No. 21, item 214).

Customs rebates on unleavened bread ("Dz. Ust. R. P." No. 21, item 218).

The foundation of the Warsaw Chamber of Agriculture ("Dz. Ust. R. P." No. 22, item 219).

Final allotment of the sugar quota to sugar factories for the period from October 1, 1928 to September 30, 1929 ("Dz. Ust. R. P." No. 22, item 221).

Partial amendment of the telephone tariff of the Polish Telephone Company, Ltd., ("Dz. Ust. R. P." No. 22, item 222).

Partial amendment of the Treasury Act of June 23, 1928 ("Dz. Ust. R. P." No. 23, item 231).

Granting powers to the Minister of Finance to float an Internal State Loan amounting to gold zł 100 million ("Dz. Ust. R. P." No. 23, item 232).

Prolongations of the period in which application may be made for the conversion of saving deposits at the Postal Saving Bank transferred from abroad through the intermediary of Polish Government institutions ("Dz. Ust. R. P." No. 23, item 233).

Hours of opening for commercial offices and certain industrial undertakings ("Dz. Ust. R. P." No. 23, item 236).

Partial amendment of the Unemployment Insurance Act ("Dz. Ust. R. P." No. 23, item 235).

Amendment of the Executive Decree to the Stamp Fee Law ("Dz. Ust. R. P." No. 23, item 237).

The establishment of Labour Courts at Częstochowa, Chrzanów, Lublin and Radom ("Dz. Ust. R. P." No. 23, items 239 to 242).

PRODUCTION AND TRADE

STATE OF EMPLOYMENT. — The highest point of unemployment, which usually occurs towards the end of the winter, was this year postponed owing to the prolonged cold weather. Thus, last year the largest number of unemployed was recorded in February, whereas this year, according to the returns of the State Labour Exchange, the maximum was reached in March when the number was 183,940. Since that time a gradual fall has been taking place with the result that at the beginning of April the figure was 176,539, as compared with 182,494 at the beginning of March.

The following table shows the number of unemployed according to trades (at the beginning of each month):

	1926	1927	1928	1929
January	251,326	190,140	165,268	128,144
February	301,457	208,536	179,602	166,104
March	302,179	213,592	178,403	182,494
April	295,529	205,770	167,022	176,539
May	272,414	190,578	154,656	
June	256,934	174,349	132,453	
July	243,302	159,365	116,719	
August	223,474	147,713	97,976	
September	205,393	132,952	88,493	
October	185,207	116,843	82,642	
November	167,826	115,732	81,195	
December	168,008	136,738	97,414	

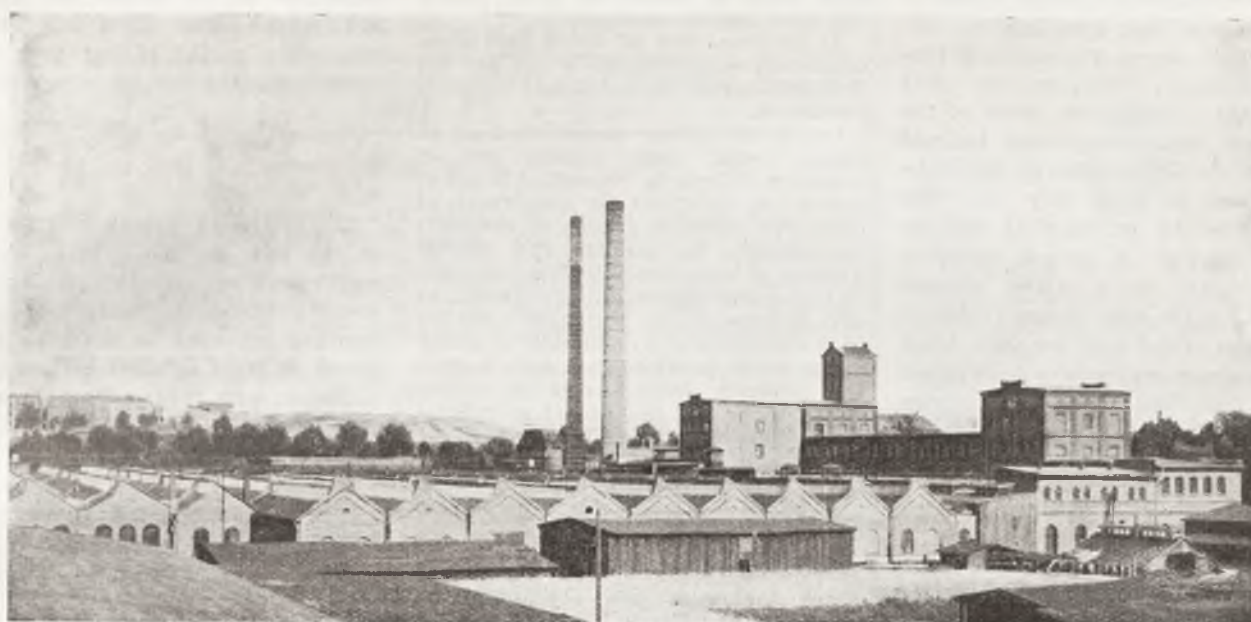
The following statement gives the number of part-time workers:

	1928	1929
January	33,190	21,726
February	31,465	15,847
March	25,565	16,554
April	48,878	16,967
May	54,385	
June	27,461	
July	28,728	
August	32,996	
September	25,911	
October	28,147	
November	25,189	
December	26,143	

Of the total of 16,967 partly employed workers 82 worked 1 day per week, 528 — 2 days, 3,123 — 3 days, 3,000 — 4 days and 10,234 — 5 days per week. The average time worked was per week.

	March	April	+ increase — decrease
mining	7,356	7,287	— 67
foundries	2,391	2,302	— 89
metal	9,593	9,274	— 319
textile	15,271	14,025	— 1,246
building	30,015	28,220	— 1,735
clerical	13,248	12,676	— 572

The improvement towards the end of the month was due to seasonal factors, such as the beginning of building operations, the commencement of outdoor work including road construction and operations on the land which absorbed a large number of



GENERAL VIEW OF THE MESSRS C. G. SCHÖN LTD. SPINNING MILLS AT SOSNOWIEC

non-agricultural labourers. As regards business conditions in general, the situation on the labour market does not show any considerable changes, as compared with the corresponding period of last year. Despite the prolonged winter, the maximum figure of unemployed for this year is not very much larger than that for last year.

In coal mining, the situation was satisfactory, the demand both from local and foreign buyers being large, though deliveries encountered difficulties, owing to the shortage of trucks and congestion on the main coal lines. The number of workmen employed in coal production declined from 119,945 to 119,536.

In petroleum mining the bad weather conditions and especially the intense cold which prevailed during the month rendered the working of the wells extremely difficult, in consequence of which the output fell by about 20 per cent, as compared with the average monthly production. As the demand for petroleum products was on a relatively high level, the stocks of crude oil showed a considerable decrease. The potassium salt mines were operated at full capacity in order to satisfy the spring demand. Unemployed miners represented about 5 per cent of those at work.

The output of the iron and steel foundries in March exhibited a substantial increase, as compared with the preceding month. At the same time the inflow of orders for iron showed an increase. Nevertheless, the volume of

indents in the current year was smaller than in March 1928, which is accounted for principally by a reduction in the deliveries to the State Railways which, owing to the losses sustained this winter, are compelled to postpone various jobs; also the lull in the building trade influenced this industry. The number of workmen employed in iron and steel foundries decreased by 53,823 to 53,691 as compared with the preceding month.

In the zinc and lead industry the situation was favourable which is to be attributed to the rise in prices of these metals on the international market. The number of workers engaged in zinc and lead production decreased from 12,589 to 12,407. The total number of unemployed of foundry workers represented 4 per cent of those at work.

In the metal industry there prevails a more hopeful tone, though the situation in the agricultural machinery and implements trade is not as good as it was at this time last year, which is to be attributed to the somewhat difficult financial position of the agricultural community. The sales of wire, nails and like products have shown some increase, though there are still many factories operating on a small scale despite the opening of the building season. Makers of rolling stock are well employed, whereas builders of bridges and iron construction work were in want of orders. The electro-technical industry made further progress and is prospering. The same

remark may be made in regard to the Bielsk metal industry, especially the electrical section, rolling mills and textile machinery. In Upper Silesia also the machinery industry was well employed. Unemployed metal workers represented 10 per cent of those at work.

In the cotton industry in the Łódź area the sales crisis continued and as a result the time worked was curtailed by 9.9 per cent, as compared with 8.6 per cent in February. In the woollen industry in the same area some improvement was noticeable and the reduction of time as compared with full time was 7.6 per cent as compared with 15.4 per cent in February. In Bielsk, the production of woollen fabrics for the summer season has already been sold out and manufacturers are awaiting repeat orders. It is worthy of note that the export of woollen fabrics from this area grows year by year. Similarly, woollen fabrics manufactured in the Białystok area are growing in favour with foreign buyers to such an extent that about 70 per cent of the total output was placed abroad. Unemployed textile workers represented 8 per cent of those at work.

The intense cold which prevailed in March prevented building operations being commenced on a large scale; for this reason work was confined to renovations and finishing the more advanced constructions. The prospects for the immediate future are still not quite clear. In any case, it is pretty certain that building activity will not

assume very large proportion owing to the shortage of long term credits.

As regards wages the upward tendency continues. Thus, in the first place mention should be made of the 5 per cent increase granted to coal miners in the Upper Silesian and Dąbrowa areas as from May 1st. This increase was the outcome of lengthy negotiations and on several occasions the outbreak of a strike seemed imminent. In the salt mining industry wages were raised by 7 per cent. Apart from the above, wages have been raised in the zinc and lead ore mining industry in Upper Silesia as well as for certain categories of the Warsaw municipal workers.

COURTS OF LABOUR IN POLAND.

— An Order of the President of the Republic, dated March 22nd., 1928 (*Dz. Ust. R. P.* No. 37, 1928, item 350) in respect of Courts of Labour enacts the creation of such courts, their competence embracing the settlement of civil disputes arising out of labour and apprentice relations between employers and employees or apprentices, as also the hearing of penal actions arising out of failure to respect legal regulations for the protection of hired labour.

For the time being, Courts of Labour will function only in Bie sk, Kraków, Lwów, Warsaw, Białystok, Drohobycz, Łódź, Sosnowiec, Dąbrowa Górnicza and Wilno.

As regards the building trade, the Order applies to workmen, watchmen, domestic servants, metal workers, apprentices and learners, with the exclusion, however, of mental workers whose salaries exceed zł 10,000 per annum.

The Courts of Labour decide cases in which the value of the disputed object or sum is not in excess of zł 5,000 and in which disputes have arisen in respect of:

a) remuneration due, arising out of a contract for hire of labour, or for trade or professional instruction,

b) the inauguration, continuation or liquidation of relations arising out of work or of trade or professional instruction,

c) services or claims for compensation arising out of hired labour or of trade or professional instruction, and in particular where disputes are in respect of vacations, wage deductions in favour of the employer, or fines exacted for breach of contract or of regulations,

d) references or account and service books,

e) membership to pension or aid-funds, unless the articles or statute of such institutions provide for the settlement of disputes by special courts or arbitral bodies,

f) notices to vacate and evictions from dwellings representing remuneration for services or part thereof, and not covered by the Tenants Protection Law of April 11th., 1924.

g) claims filed by employees against

each other in respect of work jointly executed for the same employer

h) the execution of those provisions of collective agreements which are not definitely covered by individual contracts for labour.

Courts of Labour are competent to decide penal cases arising out of breaches of laws in respect of hours of labour, of vacations for employees, of child and of female labour, of contracts for services by manual and mental workers, of bonds deposited by employees, of labour exchanges and middlemen, as also of breaches of regulations dealing with conditions of hygiene and of safety during work, provided that such matters had hitherto been heard in county courts (Courts of the Peace) as judicial institutions of the first instance.

Courts of Labour are presided over by a judge and function with the help of a mixed jury composed of employers and employees.

The plaintiff can file suit at the appropriate court in the district in which the work was executed, or at that of the district in which the establishment employing him is located.

In all civil suits the plenipotentiaries of the parties concerned can be: their children of age, parents, brothers or husbands, persons of the same occupation nominated by a trade or professional association, or officials of same, as also such lawyers as are permanent legal advisers of such associations. In so far as concerns employers, such plenipotentiaries may be officials, lawyers who are permanent legal advisers, managers, directors and clerks.

In the case of civil suits in which appeals are admissible, and in penal cases (art. 31, disputes in respect of sums in excess of zł 200, and of penal cases) the plenipotentiaries of the litigating parties may in addition, be barristers-at-law.

GRAIN

— During March, the temperature remained below the average for many years, the lowest readings being recorded in the eastern and southern districts of the country. The amount of precipitation was very small, being from 16 to 60 per cent of the average for several years. During the greater part of the month there was plenty of sunshine, but the temperature was low, particularly at night, with the result that the snow covering the fields melted gradually and the water penetrated the soil easily. Throughout the winter, sowings were covered with a thick layer of snow of about 1 m. thanks to which, despite severe cold, they were well preserved. It is only the frost at the end of March and at the beginning of April that has unfavourably affected the sowings. The state of the winter sowings calculated on the 5 point system by the Chief Statistical Office on April 10th was

estimated to be above the average and much better than in the corresponding period of last year which is illustrated by the following table:

	April 10 th 1929	March 20 th 1928
wheat	3.2	3.1
rye	3.1	2.9

The prolonged winter delayed work in the field for some three to four weeks and it is feared damage may result to the spring sowings unless the weather improves in the near future. Prices of grain on the local market as compared with those ruling abroad are given below:

(See next page)

It is seen from the above figures that after the increase in prices which commenced in February, a downward tendency took place. Prices of wheat and rye reached the highest level in the second week of March and then fell: those of rye by 4.1 per cent and those of wheat by 2.6 per cent. The largest decline was recorded on the Lwów Corn Exchange and the smallest on the Warsaw Corn Exchange.

Prices in Poland were in keeping with those ruling abroad where a rise was noted up to the middle of March, after which large consignments of grain started to arrive from the Argentine. At the same time the news of increased sowings of wheat in Canada, coupled with the information that the winter sowings in the latter country were in good condition, caused a downward tendency to set in.

Prices of oats on the local markets reached the highest point in the middle of March and began to fall afterwards. Prices of barley showed the least variations, as compared with the preceding month. In Poznań, brewing barley was quoted throughout the period under review at zł 34.50, and ordinary barley at zł 32.75 per 100 kg. On the Warsaw Corn Exchange a slight increase was recorded, due to a greater demand for barley for sowing purposes and for export. This increase was: for brewing barley 4.5 per cent and for ordinary barley 3.6 per cent. On the Lwów Corn Exchange, transactions in barley were limited with quotations showing a downward tendency.

The movement of grain between Poland and abroad, similarly as in the previous month, shows a favourable balance to Poland. For the period under review it was zł 3,519,000, the largest increases of exports over imports being in barley and rye. The turnover in grain in March, as compared

		H O M E E X C H A N G E S								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		₹	\$	₹	\$	₹	\$	₹	\$		
W H E A T											
March	1—8	48'47	5'44	45'60	5'12	51'87	5'82	48'64	5'46	5'26	4'59
"	9—15	51'06	5'74	47'90	5'38	55'25	6'20	51'40	5'77	5'37	4'71
"	16—22	50'37	5'65	47'66	5'36	54'50	6'12	50'84	5'71	5'34	4'65
"	23—31	50'06	5'62	46'17	5'18	53'00	5'95	49'74	5'58	5'30	4'41
Apr.	1—8	50'19	5'63	47'06	5'28	53'37	6'00	50'20	5'64	5'30	4'31
"	9—15	50'62	5'68	46'87	5'26	52'75	5'92	50'08	5'62	5'30	4'46
R Y E											
March	1—8	35'62	4'00	34'00	3'82	36'31	4'07	35'31	3'96	4'86	4'36
"	9—15	36'18	4'06	34'15	3'83	38'50	4'32	36'27	4'07	4'94	4'37
"	16—22	36'18	4'06	34'01	3'82	38'41	4'31	36'20	4'06	4'92	—
"	23—31	35'84	4'02	33'33	3'74	36'50	4'10	35'22	3'95	4'89	4'08
Apr.	1—8	36'03	4'05	33'17	3'72	37'00	4'15	35'40	3'97	4'89	4'00
"	9—15	35'42	3'97	32'77	3'67	36'12	4'06	34'77	3'90	4'89	4'00
B A R L E Y (brewing)											
March	1—8	35'05	3'93	34'50	3'87	—	—	—	—	5'32	—
"	9—15	35'75	4'01	34'50	3'87	39'25	4'41	36'50	4'10	5'34	—
"	16—22	36'08	4'05	34'50	3'87	—	—	—	—	5'32	—
"	23—31	36'34	4'08	34'50	3'87	—	—	—	—	5'32	—
Apr.	1—8	36'75	4'12	34'50	3'87	37'50	4'21	36'25	4'06	5'32	—
"	9—15	36'62	4'11	34'50	3'87	—	—	—	—	5'32	—
B A R L E Y (feeding)											
March	1—8	33'40	3'75	32'75	3'67	33'50	3'76	33'22	3'73	4'99	3'02
"	9—15	34'25	3'84	32'75	3'67	—	—	—	—	4'99	3'02
"	16—22	35'25	3'96	32'75	3'67	34'00	3'82	34'00	3'82	4'99	3'03
"	23—31	35'25	3'96	32'75	3'67	32'00	3'59	33'33	3'74	4'99	3'03
Apr.	1—8	34'75	3'90	32'75	3'67	33'12	3'72	33'54	3'77	4'99	2'95
"	9—15	34'62	3'89	32'81	3'68	31'50	3'53	32'98	3'70	4'99	2'86
O A T S											
March	1—8	34'50	3'87	33'10	3'71	34'87	3'91	34'15	3'83	4'78	3'58
"	9—15	35'69	4'01	33'75	3'79	35'00	3'93	34'81	3'91	4'82	3'57
"	16—22	36'75	4'12	33'83	3'80	35'25	3'96	35'27	3'96	4'79	—
"	23—31	37'50	4'21	33'59	3'77	34'00	3'82	35'03	3'93	4'79	3'34
Apr.	1—8	37'25	4'20	32'94	3'70	34'50	3'87	34'90	3'92	4'78	3'38
"	9—15	36'44	4'09	32'31	3'63	33'33	3'74	34'03	3'82	4'79	3'43

with February and March of last year, is given below (in tons):

	March 1928	February 1929	March 1929
I m p o r t s			
wheat	5,208	2,813	2,174
rye	271	166	1,438
barley	81	95	48
oats	394	1,235	1,937
E x p o r t s			
wheat	211	97	326
rye	1,510	1,275	693
barley	20,195	11,773	10,991
oats	512	480	2,644

Germany supplied the bulk of the rye and oats, 77.2 per cent of barley, and 44.8 per cent of wheat. Wheat was also imported from Hungary (54.6 per cent) and Rumania (0.6 per cent), and barley from Austria (20.9 per cent) and Czechoslovakia (1.9 per cent). Polish grain exports were directed as follows: wheat, rye and oats to Germany, barley to Latvia (35.3 per cent), Belgium (32.5

per cent) Germany (18.7 per cent), Switzerland (6.1 per cent); smaller quantities were sent to Sweden, Austria, Holland, England and Czechoslovakia.

BUTTER

— Prices of butter in the second half of March and the first of April fell throughout Poland with the exception of Katowice and Sosnowiec where they remained steady. The general decline in prices is to be attributed to the smaller demand from the towns, as compared with the preceding month, due to a decline in the purchasing capacity of the population, and also to the existence of large stocks in the centres of production. Owing to the severe cold, the output did not reach the anticipated proportions. The prices were also influenced by the downward tendency ruling on the different export markets.

The wholesale quotations during the period under review were as follows (in £ per kg.):

	March 16th-31st	April 1st-15th
Warsaw	5'60-7'00	5'60-5'80
Bydgoszcz	6'60-6'80	6'80-7'00
Katowice	6'60-6'80	7'00
Lublin	6'20-5'00	6'00-5'60
Lwów	6'60-7'00	6'80-7'00

Exports of butter in March totalled 75.3 tons, valued at £ 4,427,000. Practically the whole of the butter went to Germany which took 75 tons, the remainder being shipped to England. Imports were insignificant, the bulk being supplied by Germany (1.5 tons).

EGGS

— In the latter half of March prices of eggs on the home market showed a distinct downward tendency as a result of large quantities, which had been held up by transport dislocations, being thrown on the market. The downward tendency was checked only by pre-holiday demand and the care of the dealers not to market too large quantities.

During the first half of April, prices at first showed a fall, then remained steady, only to go up towards the week ending on April 15.

During the period under review prices on the different Polish markets were as follows (in £ per case of 1.440 eggs):

	March 16th-31st	April 1st-15th
Warsaw	270-280	210-220
Bochnia	240	188
Katowice	270-260	210-220
Kraków	230-235	190-195
Tarnopol	210-215	—

Exports of eggs in March totalled 115.7 tons valued at £ 3,225,000. Of this quantity, Germany took 79.2 tons, Czechoslovakia 16.3 tons, Austria 15.9 tons, England, 1.9 tons, and Latvia 1.2 tons.

During the same period imports totalled 1.5 tons, valued at £ 45,000, the chief suppliers being Germany, Prussia and Czechoslovakia.

TIMBER

— After the February lull, caused by unfavourable weather and intense cold, the timber trade showed signs of revival in March. In view of the selling season for round wood coming to an end, particularly large business was recorded in this material and forced sales were responsible for a further falling off in prices, which is all the more justified as the tendency on the home and foreign sawn wood markets is still undecided. On the whole, prices in the different



SAWN TIMBER AT THE "STARACHOWICE" SAWMILL
YARD (PHOT. S. PLATER)

areas are tending to become uniform and the decline in prices in the western and central parts of the country is compensated for by an increase in those in the eastern Voievodships.

The situation is totally different on the fire wood market as prices continue to go up despite the milder weather. This is apparently due to the depletion of stocks during the winter.

The movement of wholesale prices in the different Forest Directorates ex truck, loading stations, is given in the following table (in zł per cub. m.):

	Feb.	March
pine logs for saw mills		
(per cub. m.) Warsaw	68.—	65.—
" " " Radom	59.—	59.—
" " " Siedlce	62.—	53.17
" " " Wilno	54.—	52.—
" " " Białowieża	44.—	52.—
" " " Poznań	68.30	63.—
" " " Bydgoszcz	59.—	59.—
" " " Toruń	68.—	66.—
pine logs for building purposes		
(per cub. m.) Siedlce	58.—	49.—
" " " Białowieża	36.—	44.—
" " " Wilno	44.—	41.—
pine pit props		
(per cub. m.) Warsaw	37.—	37.—
" " " Radom	37.—	37.—
" " " Siedlce	33.—	33.—
" " " Poznań	28.—	30.—
" " " Bydgoszcz	31.—	31.—
" " " Toruń	30.—	30.—
spruce logs for saw mills		
(per cub. m.) Siedlce	47.—	45.—
" " " Lwów	44.—	44.—
oak logs for joinery		
(per cub. m.) Białowieża	85.—	90.—
" " " Łuck	155.—	155.—
pulpwood		
(per stacked cub. m.) Siedlce	31.—	30.50
" " " Wilno	29.—	29.—
" " " Białowieża	29.90	29.90
pine fire wood		
(per stacked cub. m.) Warsaw	16.—	16.—
" " " Radom	16.—	16.—
" " " Siedlce	13.—	13.—
" " " Wilno	8.—	8.—

" " " Białowieża	15.—	16.50
" " " Poznań	15.—	16.—
" " " Bydgoszcz	17.50	17.50
" " " Toruń	17.—	17.—

spruce fire wood (per stacked cub. m.) Lwów	11.50	11.50
beech fire wood (per stacked cub. m.) Lwów	17.—	17.—

Exports showed a further falling off although, as a rule, the month of March is marked by record figures; the following table shows that the export of timber decreases steadily

	February	March	1929	1927	1928	1929
pulpwood	76,280	81,555	71,368	52,031		
pit props	35,836	49,493	57,557	24,134		
logs, beams	30,642	232,475	148,353	53,364		
telegraph poles	5,174	3,466	4,453	2,714		
deals, boards, battens	45,710	174,031	126,048	40,820		
railway sleepers	8,351	14,464	17,207	4,718		
coopers' wares	1,332	4,565	2,337	1,713		

The value of the timber exports effected in March amounted to zł 29 million, as compared with 51 million in the corresponding period of last year; this indicates an increase in the value of the material for, as we have seen, the decline in the quantity was proportionately larger.

This decrease is accounted for by a return to rational methods in forest husbandry in Poland. Moreover, the fall in the exports of round wood is to be attributed to a larger quantity being worked up by the home sawmilling industry. It is, therefore, anticipated that exports of sawn wood will show further progress in the coming summer and autumn seasons.

COAL

The Polish coalmining industry in March was under the influence of the following two factors: an increased demand on the part of the home market, and transport difficulties. As a result of the larger number of working days (26 in March, and 25 in February) and the considerable increase in orders, the output rose substantially, as compared with the preceding month. The increased demand could not be covered entirely owing, principally, to the shortage of trucks, especially during the first half of the month, and to floating ice on the Baltic. The latter factor hampered to a very large extent the trade with the Scandinavian countries.

The state of the industry in the different coal fields in March is shown by the following figures (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads
Upper Silesia	2,830,262	1,654,004	739,097	822,336
Dąbrowa	729,773	503,487	139,604	240,425
Kraków	245,541	202,053	1,170	63,351
Total:	3,805,576	2,359,544	879,871	1,126,112
February ¹⁾ :	3,294,790	2,148,505	689,141	959,715
—In relation to +February	+510,786	+211,039	+190,730	+156,397

It is seen from the above table that the output in March rose to 3,806,000 tons, an increase of 511,000 tons, or 16 per cent, as compared with February. The average daily output rose to 146,368 tons, an increase of 3,116 tons over the February figures. Total deliveries rose by 402,000 tons, or 14 per cent to 3,239,000 tons, of which 2,359,000 tons, that is, 9 per cent more than in the preceding month, were consumed locally, and 880,000 tons, or 28 per cent were sent abroad.

During the month the stocks at pit heads rose by 156,397 tons to 1,126,112 tons.

The exports are given below (in percentages):

	February 1929	March 1929
Northern European countries	35.38	26.13
Succession States	34.59	56.02
Other countries	13.54	9.72
Danzig	3.87	5.52
Bunker coal	2.62	2.61
Total:	100.00	100.00

The above figures show that the exports to the northern European markets rose by 131,000 tons to 311,000 tons, to the Succession States by 6,000 tons to 392,000 tons, to other countries (including bunker coal) by 37,000 tons to 142,000 tons, and to Danzig by 4,000 to 44,000 tons.

¹⁾ After deduction of the coal utilised by the mines themselves and for workmen, and after correcting the stock on hand.

²⁾ Corrected figures.

The proportion taken by the above mentioned markets in March as compared with February are given in the following table (in percentages):

	1926	1927	1928	1	2	3	4
Countries	M a r c h			February ¹⁾	March ²⁾	Increase (+) or decrease (-) in relation to Feb.	
Northern European:							
Sweden	124	198	194	71	131	+60	
Norway	—	31	62	29	42	+13	
Denmark	64	105	118	49	84	+35	
Finland	2	4	18	2	3	+1	
Latvia	15	17	28	23	43	+20	
Lithuania	2	2	3	2	8	+6	
Estonia	—	—	—	2	—	+2	
Memel	9	2	10	2	—	+2	
Total:	216	359	433	180	311	+131	
Succession States:							
Austria	213	156	237	250	244	-6	
Hungary	43	35	54	49	61	+12	
Czechoslovakia	36	56	92	87	87	—	
Total:	292	247	383	386	392	+6	
Other countries:							
South America	—	—	—	7	5	-2	
France	19	11	28	24	38	+14	
Italy	20	115	53	15	32	-17	
Algeria	—	4	4	—	9	+9	
Tunis	—	1	—	—	—	—	
Yugoslavia	10	9	21	1	4	+3	
Rumania	7	12	16	1	12	+11	
Switzerland	9	17	11	11	19	+8	
Holland	—	—	5	7	—	-7	
Germany	1	1	1	1	—	-1	
Belgium	—	27	11	—	—	—	
England	—	—	—	—	—	—	
Bulgaria	—	—	—	—	—	—	
Russia	—	—	—	—	—	—	
Total:	66	197	150	67	119	+52	
Danzig	35	16	24	38	34	-4	
Bunker coal	—	18	34	18	23	+5	
Total:	609	837	1,024	689	879	+190	

The average daily quantity of coal sent abroad during the month amounted to 33,808 tons, an increase of 3,895 tons, or 15 per cent, over the February figures.

The amount of coal shipped through the Polish ports, Danzig and Gdynia, declined by 25,000 tons to 241,000 tons, as compared with the preceding month. The shipments effected through Danzig declined by 29,000 tons to 183,000 tons, while those made through Gdynia rose by 4,000 tons to 58,000 tons.

The number of workmen employed in coal production decreased in March by 409 to 119,536.

Despite a decline in the number of miners the number of registered unemployed miners generally declined during the period under review by 269 to 7,287.

The average daily output of coal per workman rose by 51 kg. to 1,278 kg.

As a result of the decision of the Arbitration Commission, miners' wages were increased 5 per cent in the Upper Silesia area on March 1st; in the Dąbrowa and Kraków coal fields, wages of time workers were raised by 6 per cent on March 1st, and those of piece workers by 2 per cent on April 1st.

The average daily wage in March in Upper Silesia was zł 9'30.

The prices of coal on the home market and for export remained unchanged, but, as from April 1st, they will be increased as follows: large and nuts by zł 150, beans by zł 3, smalls by zł 2, duff by zł 0'80, and coke by zł 3 per ton.

The railway rates were the same as in the preceding month. In connection with the amendment of the railway rates in Austria, negotiations are taking place concerning the alteration of the through rate for coal to Italy, and it is anticipated that the new rates will come into force on May 1st.

The briquette industry enjoyed good business. The output rose, as compared with February by 5,737 tons to 22,091 tons; local deliveries rose by 3,559 tons to 19,913 tons, and exports by 371 tons to 897 tons. There were 235 workmen employed in this industry.

The output of coke increased in March by 231,000 tons to 144,221 tons. Similarly, local sales rose by 21,376 tons to 132,750 tons, and exports by 4,916 tons to 12,542 tons. It is thus seen that a marked improvement took place in this industry during the period under review.

The output of brown coal increased by 115 tons to 7,449 tons, while at the same time home deliveries rose by 196 tons, to 6,920 tons. The total number of workmen employed in the industry was 334 at the end of March.

PETROLEUM

— The output of crude oil in Poland in March according to provisional figures was as follows (in tons):

Drohobycz district	Borysław basin	39,366
Jasło "	other basins	7,009
Stanisławów "		5,600
		3,405
Total:		55,380

The production of crude oil in the chief petroleum basins, Borysław, Tustanowice and Mraźnica amounted to 39,400 tons, an increase of 5,500 tons as compared with February (33,889 tons) and of 1,500 tons as compared with January (40,931 tons) and of 5,800 tons as compared with March 1928 (45,320 tons).

The average daily output in the Borysław area was about 1,270 tons or 60 tons more than in February (1,210 tons) and 60 tons less than in January.

The increase in the output is to be attributed to the return to normal conditions as regards the weather and to the completion of new wells.

Wages in the petroleum industry in March did not show any change as compared with the preceding month.

The same remark holds good in regard to prices for petroleum products. The activity of refineries assumed its normal proportions (over 60,000 tons) as the supplies of the raw materials came in regularly which, as is well known, was not the case in the preceding two months owing to the unfavourable weather and snowfalls.

The situation in the petroleum industry in Poland in February was unfavourable owing to the above mentioned causes. As a result the extraction of crude oil showed a considerable falling off.

Local consumption as well as exports of petroleum products showed considerable decline.

The output of crude oil in February was as follows (in tons):

Drohobycz district	39,444
Jasło "	4,777
Stanisławów "	2,955
Total:	47,176

The output in the Borysław area amounted to about 1,200 tons per day (1,330 tons in January, and 1,330 tons in December).

The comparatively large decline in the output of crude oil despite the completion of the well "Jffre V" at Mraźnica is to be attributed to the suspension of operation caused by the lack of water and fuel as a result of the severe cold and also to the fact that there were 3 working days less than in the preceding month.

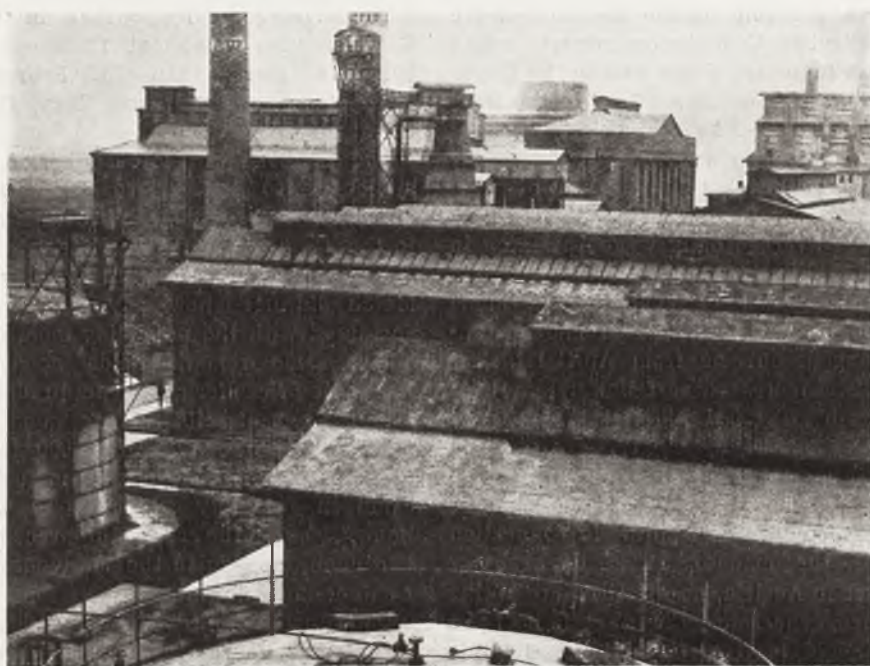
Wages in February remained unchanged and 59 workers were dismissed on account of the suspension of building operations. According to the State Labour Exchange at Drohobycz the number of unemployed in that area rose by 153 to 4,924 of which 1,908 were in Borysław (162 more than in January).

The total number of workmen engaged in the production of crude oil and those employed at the subsidiary plants (electrical power stations, gas works, workshops, &c.), according to provisional figures on February 28th was as follows:

Drohobycz district	7,420
Jasło "	2,367
Stanisławów "	1,102
Total:	10,889

¹⁾ Corrected figures.

²⁾ Provisional figures.



A PORTION OF THE STATE CHEMICAL WORKS
AT CHORZÓW (PHOT. ST. PLATER)

The number of workers in January was 11,207.

As regards drilling activity no important developments were recorded in February, due to a large measure to the unfavourable weather. In the Borysław area the production in two old wells was suspended. In the Drohobycz area 11 new wells, of which 8 are situated in the Borysław district, are being prepared for drilling.

Stocks of crude oil held by the storage companies and at the wells at the end of February were as follows (in tons):

Drohobycz district	33,958
Jasło	6,130
Stanisławów	4,229
Total:	44,317

The increase from 35,752 tons in January was due to a decrease in deliveries to the refineries owing to transport dislocation. The decline in the deliveries amounted to 11,000 tons as compared with January.

The stocks of Borysław Standard Crude held by the storage companies in the Drohobycz area amounted to 14,211 tons at the end of February as compared with 10,806 tons at the end of January, an increase of 3,405 tons.

Prices of crude oil were not subject to any considerable fluctuations and amounted to \$ 200.5 per 10 ton tank wagon of Borysław Standard Crude.

The situation in the gasoline industry in February is illustrated by the following figures:

throughput of gas (in thous. of cub. m.)	34,675
output of gasoline (in tons)	19,717
home consumption	2,255
exports	23
number of workmen employed	192

In February 18 gasoline works were in operation (17 in January). During the month the average yield of gasoline from 100 cub. m. of gas was 11.4 kg. as compared with 12.0 kg. in January and the monthly average for the year 1928 amounting to 12.28 kg.

On the whole, the situation in the gasoline industry continued to be favourable, the prices being the same as in the same period of 1928. The prices of gas in Borysław in February was zł 6 per 100 cub. m.

The output of ozokerite amounted to 61.1 tons. Exports totalled 42.8 tons of which 15 tons were forwarded to France, 15.8 tons to Germany and 12 tons to America. The stocks at the end of February were 143 tons. Prices remained unchanged. The number of workmen engaged in ozokerite production in February was 548.

The situation in the petroleum refining industry in February may be gauged by the following figures:

throughput of crude oil	35,601
output of petroleum products	31,302
home consumption	28,406
exports	11,341
stocks of petroleum products on February 28th	222,199
stocks of crude oil on February 28th	4,626

The total throughput of crude oil declined as compared with January (54,726 tons) and the monthly average for the whole year (60,450 tons). Both local consumption as well as exports showed a decrease as compared with the average monthly figures for the last year (31,020 tons and 21,610 tons respectively).

The consumption of petroleum products in Poland in February as compared with the corresponding period of last year is given below (in tons):

benzene	3,559
kerosene	12,681
gas oil	5,456
lubricating oil	4,440
paraffine wax	435
other products	1,835
Total:	28,406

Exports of the different petroleum products are given in the following table (in tons):

Czechoslovakia	2,622
Austria	3,403
Switzerland	788
Germany	396
Hungary	133
other countries	1,506
Danzig	2,293
Total:	11,341

The distribution of exports according to the countries of destination is to be found in the following table (in tons):

benzene	2,820
kerosene	1,329
gas oil	3,640
lubricating oil	1,831
paraffine wax	1,136
other products	585
Total:	11,341

IRON

— The inactivity, which was evident in the iron market in February, continued in March. It is true, that the volume of orders to the foundries increased somewhat, but the rise was small, especially when it is borne in mind that, under normal conditions, this month is characterised by a large seasonal demand for all kinds of iron and steel products. At the beginning of March there were still severe cold and snow falls which, similarly as in February, handicapped both trade and industry. However, from about the middle of the month, with the improvement in the weather, a turn for the better became apparent. Business conditions in general were under the cloud of financial difficulties which were aggravated by the losses sustained during the winter and these factors, taken together, affected unfavourably the demand. Under these conditions, the iron ore mining industry which, as is well known, is closely linked up with iron and steel production, was depressed.

The output, imports and exports of ore in March are given below (in tons):

	Extraction	Imports	Exports
Monthly av. for 1928	58.22 ¹⁾	46.415	9.908
Monthly av. for IV quarter of 1928	55.859	55.409	10.191
January 1929	62.982	47.631	15.322
February "	45.759 ¹⁾	53.859	8.000
March "	42.219 ²⁾	36.456	7.000 ²⁾
1928	70.041	27.388	11.142

It is seen that the output of ore during the month under review fell below the worst month of last year and was 3,540 tons or 7.7 per cent less than in February; when it is taken into account that there were 3 working days more than in February, it will be found that the average daily output fell by 18.5 per cent. Compared with March 1928, the decrease amounted to 27,822 tons, or 39.8 per cent. Imports of ore declined substantially, the drop as compared with February amounted to 17,403 tons, or 32.4 per cent, but compared with March 1928, there was an increase of 9,068 tons, or 33 per cent. Imports of manganese ore totalled 2,928 tons, as compared with 1,629 tons in February.

There were 23 iron ore mines in operation, of which 21 were producing, 2 mines being closed down on account of the unfavourable weather.

The number of workmen employed in the mines declined in March from 6,091 to 5,930, or 2.6 per cent. The table given below shows the output (in tons) per miner, per month and per day (only the producing mines are taken into account):

		per month	per day
October 1928		10.65	0.394
November "		9.30	0.372
December "		7.75	0.337
January 1929		10.00	0.384
February "		7.55	0.328
March "		7.15	0.275

The output of the foundries rose slightly, as compared with the preceding month as can be seen from the following table (in percentages), the average monthly figure being taken as the basis for the calculation:

	January 1929	February 1929	March 1929
blast furnaces	71.8	56.5	69.9
steel works	103.0	85.5	92.0
rolling mills	92.2	76.2	83.3

The output (in tons) and the number of workmen engaged in iron and steel production are given in the following statement:

	Pig Iron	Steel Ingots	Rolled products	Pipes	Number of workmen employed
Monthly av. for 1928	56,996 ¹⁾	119,850 ¹⁾	87,363 ¹⁾	9,354	50,649
Monthly av. for IV quarter 1928	59,880	132,886	93,337	13,670	53,831
Jan. 1929	61,455 ¹⁾	142,682 ¹⁾	94,047 ¹⁾	11,159 ¹⁾	52,949
Feb. "	48,578 ¹⁾	118,628 ¹⁾	72,644 ¹⁾	9,189	53,823
March "	59,895 ²⁾	126,567 ²⁾	87,013 ²⁾	10,945	53,691
1928	58,023	118,158	94,079	9,207	47,853

The output of pig iron rose during the month by 11,317 tons, or 23 per cent, but the daily average showed an increase of only 11.4 per cent. Compared with March 1928, the output of pig iron rose by 1,872 tons, or by 3.2 per cent. There were 15 furnaces in blast during the month.

The output of steel ingots rose by 7,939 tons, or 6.7 per cent, but the daily average fell by 5.6 per cent; compared with March, 1928 there was an increase of 8,409 tons, or 7.1 per cent.

The rolling mills also showed an increase, as compared with February, the rise being 14,369 tons, or 19.8 per cent; the daily average rose by 6 per cent. In comparison with March 1928, the output of the rolling mills during the period under review rose by 7,066 tons, or by 7.5 per cent. An increase in the output of pipes was also recorded, it being 1,756 tons, or 19.1 per cent as compared with February; the daily average rose by 5.5 per cent.

As already stated the increase in the orders received by the foundries was comparatively small. According to the returns of the Syndicate of Polish Iron Foundries, excluding orders for pig iron and pipes and foreign indents, the quantities booked were as follows (in tons):

	January	February	March
Government orders	26,002	3,160	6,419
private orders	41,766	32,463	35,769
total	67,768	35,623	42,188
private orders included:			
from trade	20,254	17,767	21,246
" industry	21,512	14,696	14,523

It is seen that the bookings on both Government and private account exhibited a considerable increase over the preceding month. The large rise in Government orders, which more than doubled, is still insufficient to meet the needs, particularly those of the State railways which, however, owing to the heavy losses sustained in the course of the winter season, are unable to place important orders. The requirements of wholesale dealers rose by 19.6 per cent,

but those of industrialists continued to be on a small scale.

The following table gives the imports and exports of foundry products (in tons)

	Exports:			Imports:		
	Feb. 1929	March 1929	1928	Feb. 1929	March 1929	1928
pig iron	201	265	990	851	585	1,596
rails, iron and steel articles	3,735	3,736	3,430	3,697	4,172	2,998
iron and steel sheets	2,942	2,666	4,776	734	577	2,897
pipes	5,047	5,462	2,961	140	173	402
Total:	11,925	12,129	12,157	5,422	5,507	7,893

It is seen that both imports and exports remained about the same as in the preceding month, the increase in the latter amounted to only 204 tons or 1.7 per cent. The value of the exports was £ 6,683,000, as against £ 6,273,000 in February, an increase of 6.5 per cent.

NEW GOVERNMENT INQUIRY COMMISSION ON THE IRON FOUNDRY INDUSTRY.—The Institute for Economic Research has taken steps to examine present conditions in the iron foundry industry. With this object in view, a meeting of representatives of that industry was arranged in Katowice on April 4th, where the methods of inquiry adopted were explained to those present by a member of the Institute.

The Institute is interested in a purely scientific examination of the present conditions and state of the iron foundries as a whole, particularly such problems as the financial conditions of the various enterprises; their degree of profitability; the fluctuations in production costs and selling prices of basic iron-foundry products during the last two years (martinsite, Martin blocks, iron bars, rails &c.); the technical condition of the enterprises and their organisation as factors affecting production costs.

The examination of these matters will be conducted by the Institute by means of questionnaires sent to all the iron foundries as also by means of personal investigations conducted on the spot in some of the foundries.

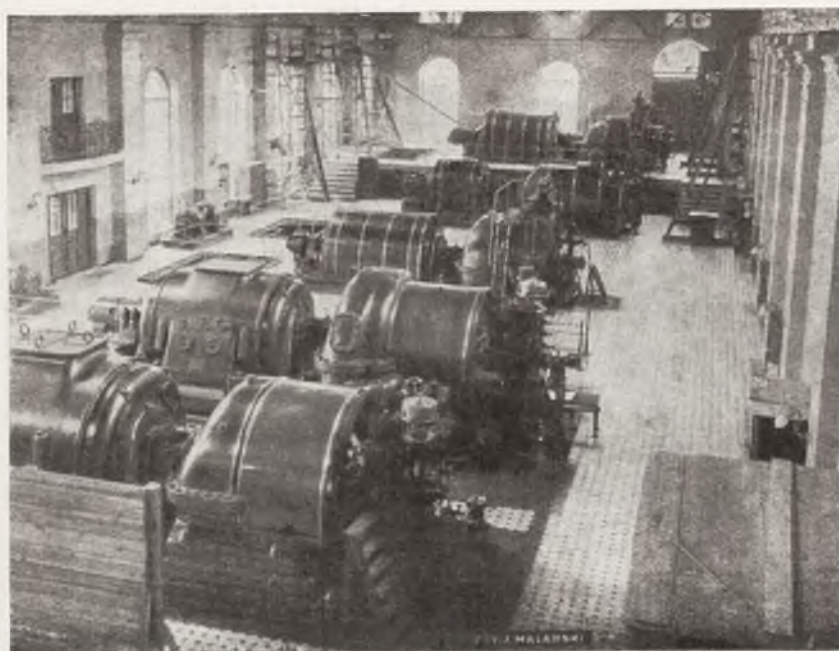
In examining production costs in the three fundamental divisions of the industry (blast furnaces, steel-shops and rolling mills), attention will be directed mainly towards securing a detailed and accurate division of costs according to the following groups:

- a) cost of raw materials per ton of product;
- b) technical running costs (cost of steam, water, auxiliary materials, repairs, &c.);
- c) labour costs:
 - 1) administrative,
 - 2) workmen;
- d) general overhead charges;
- e) depreciation and sinking fund.

Independently of the foregoing matters, which can be termed „special investigations“, the Institute will endeavour to throw light on more general problems such as:

¹⁾ Corrected figures.
²⁾ Provisional figures.

¹⁾ Corrected figures.
²⁾ Provisional figures.



ENGINE ROOM AT THE WARSAW ELECTRICAL POWER STATION

a) the influence of seasonal fluctuations upon the profitableness of the enterprises and the actual cost of production;

b) the causes of seasonal fluctuations and the means for abolishing them;

c) work upon the standardisation of foundry products;

d) the effect of lack of standardisation of foundry products upon the actual costs of production.

The Institute proposes to commence work without delay and, with this end in view, has invited the iron-foundry representatives to arrange for experts to be furnished for co-operation in the work of the various sections of the Institute.

Following several speeches made by the representatives of the foundry industries, a commission of experts was chosen, which will co-operate with the Institute during the whole term of the inquiry and will furnish all essential advice, data and explanations which may be necessary.

ZINC AND LEAD

The situation on the zinc and lead market in March was erratic. At the beginning of the month conditions were much the same as in the preceding month, but in the latter half an upward tendency in prices, particularly strong towards the end of the month, was recorded. The demand for the metals was very brisk, but in spite of this, the rise in prices must be regarded as transient. On the whole, the situation on the zinc market improved considerably thanks to the measures taken by the Syndicate in regard to the limitation

of production. Prices of zinc were maintained slightly under £ 26. The conditions on the lead market also improved, prices reaching over £ 23 per ton. At the beginning of March owing to the severe cold and heavy snow falls, exports were handicapped, but in the latter half conditions improved and the volume of deliveries rose by 25 per cent, as compared with the preceding month.

In view of the improvement in the situation, the output of zinc ore was increased, which is illustrated by the following figures (in tons):

	Extraction:		Imports:	
	ore gross amount	enriched ores	zinc ores	lead ores
Monthly av. for 1928	91.754	28.196	15.926	1.360
Monthly av. for IV quarter of 1928	90.411	27.800	16.618	1.476
January 1929	98.530 ¹⁾	31.500	16.037	1.464
February "	83.056 ¹⁾	27.000	15.370	2.498 ²⁾
March "	97.255 ²⁾	30.600	15.298	2.348
1928	100.243	31.500	15.798	1.655

The output of zinc and lead ore showed an increase of 14.199 tons, or 17.1 per cent, but when it is taken into account that there were three working days more in March than in February, it will be found that the daily output only rose by 3.6 per cent and was the same as in January. Compared with March 1928, the output was 3 per cent smaller. Imports of zinc and lead ore showed a slight

¹⁾ Corrected figure.

²⁾ Provisional figure.

falling off, by 222 tons or 1.2 per cent, as compared with February, but was 190 tons or 1.1 per cent greater than in the corresponding period of last year. Apart from the mines, old dumps were exploited, and the material obtained was transformed into zinc oxide. In March, the mineral gained from old dumps amounted to about 2,300 tons which are not accounted for in the above figures. The number of workmen engaged in the zinc and lead mines, including the roasting plants, rose from 7,021 in February to 7,460 in March, an increase of 6.2 per cent. The average monthly and daily output per workman as compared with the past six months are given below (only the workmen employed at the producing mines are taken into account):

		Monthly	Daily
October 1928		19.10	0.707
November "		18.75	0.750
December "		16.85	0.732
January 1929		19.00	0.730
February "		16.70	0.728
March "		18.70	0.720

The manufacture of zinc oxide continues to make progress from month to month, the output being 2,893 tons in March, as against 2,530 tons and 2,828 tons in February and January respectively. The bulk of the zinc oxide is used for the production of electrolytic zinc.

The output of the smelting works rose although comparatively slightly when favourable conditions ruling on the market are taken into consideration. Compared with the average monthly output for the year 1913, the output of zinc, zinc sheet and lead during the last three months was as follows (in percentages):

	January	February	March
Raw zinc	90.8	77.9	86.5
Zinc sheets	44.5	30.8	31.8
Raw lead	36.7	52.3	108.0

The output of zinc and lead products (in tons) as well as the number of workmen employed is given below:

	Sulphuric acid 50° Bé	Raw zinc	Zinc sheets	Raw lead	Number of workmen
Monthly av. for 1928	25.667	13.483	1.447	3.020	12.832
Monthly av. for IV quarter of 1928	26.031	13.908	1.513	3.214	12.983
January 1929	29.484	13.791	1.686	1.530	12.702
February 1929	25.282 ¹⁾	11.757 ¹⁾	1.169 ¹⁾	1.840 ¹⁾	12.589 ¹⁾
March 1929	29.032 ²⁾	12.895 ²⁾	1.215 ²⁾	3.899 ²⁾	12.407 ²⁾
1928	26.318	13.516	1.465	2.300	12.813

These figures do not include electrolytic zinc, the output of which

¹⁾ Corrected figures.

²⁾ Provisional figures.

amounted in March to 932 tons. The output of zinc rose during the month by 1.138 tons or 9.7 per cent, and the average daily output was practically the same, the decline being 0.95 per cent. Compared with March 1923, the output decreased by 621 tons or 4.6 per cent. The output of zinc sheets decreased by 46 tons, or 3.9 per cent, while the average daily output showed a falling off of 8.1 per cent. Compared with March 1928, there was an increase of 17 per cent.

The production of sulphuric acid increased during the period under review by 3.751 tons or 14.8 per cent. This development is of great importance to Poland as the shortage of sulphuric acid is badly felt locally.

The output of lead rose very considerably, by 2.059 tons or 112 per cent, and the average daily output by 91 per cent, as compared with the preceding month.

The number of workmen employed at zinc and lead smelters decreased by 182 or 1.5 per cent. Of the total number of workmen, 94 per cent were engaged in zinc production and the remainder in lead production.

The exports of zinc and lead products is given below (in tons):

	Exports:			
	February		March	
	1929	1928	1929	1928
	value in thous. of zł	value in thous. of zł	value in thous. of zł	value in thous. of zł
Raw zinc, dust incl.	9.164	10.083	10.618	11.666
Zinc sheets	688	916	818	1.088
Refined lead	939	936	2.028	2.004
total:	10.791	11.935	13.464	14.758

It is seen that the volume of exports effected in March rose by 2.673 tons or 24.9 per cent, and in point of value by zł 2,837.000, or 23.7 per cent. Compared with March 1928, there was an increase of 231 tons or 1.8 per cent, and a decline in value by zł 1,106.000 or 6.9 per cent.

VARIOUS

CONDITION OF BRICK-KILNS IN POLAND IN 1928. — About 1.000 permanent brick-kilns are in existence in Poland, equipped with about 890 oval ovens. The situation of the kilns according to voievodships is as follows:

Voievodship of Pomerania	95 kilns
" " Poznań	139 "
" " Silesia	70 "
" " Warsaw	101 "
" " Łódź	108 "

Voievodship of Kielce	66 "
" " Lublin	35 kilns
" " Kraków	91 "
" " Lwów, Tarnopol and Stanisławów	155 "

The output capacity of these kilns is about 2.800 million bricks.

The actual production for 1928, came to about 1.5 milliard bricks, about 65 million drain-pipes and about 40 million roof-tiles.

About 500 million of these products were produced in Poznań and Pomerania, 200 million in the Silesian area, 300 million in South Poland, and 600 million in former Russian Poland (in the Warsaw district 250 million, Cęstochowa 50 million, and 40 million in the Lublin district). It will be thus seen that the greater part of the output is produced in the central and western Voievodships. The more distant eastern and north-eastern voievodships have only a small number of permanent kilns, but they have about 600 field kilns; altogether there are about 1.400 of this type of kilns in the whole Republic, but they have been excluded from consideration in computing the production of Poland.

From the figures quoted above it will be noted that the existing ceramic plants are producing only about 60 per cent of their total capacity, and are, therefore, in a position to double their 1928 output.

The current railway tariffs provide cheap transport for bricks and tiles to non-producing areas with a view to keeping down building costs.

MOVEMENT OF PRICES. — In March business assumed particularly large dimensions due to two different factors. On the one hand, there was the milder weather and, on the other, there were the Easter holidays, which induced consumers to make large purchases; both wholesalers and retailers enjoyed excellent trade. This is all the more significant as, at the same time, there was a shortage of money, which handicapped the development of trade. It should be stated, however, that large purchases were made only by the urban population for the farming community were not in possession of sufficient cash reserves to come into the market, due to the comparatively low prices of farm products, this causing a decrease in the purchasing capacity of population as compared with the preceding year.

During the period under review, prices did not show any definite tendency. On the one hand wholesalers carried large stocks, and in view of the tightness of money, there was a natural tendency to reduce prices, but this was checked by the increased demand. Apart from these factors, the movement of prices

was to a large extent influenced by those ruling on the world markets (increase in the prices of metals) and seasonal factors. The movement of price indexes is illustrated below (January 1914 = 100).

	Wholesale price index:	Retail price index:	Cost of living index:
March 1928	121.2	151.9	119.3
April "	124.5	153.0	120.7
May "	122.5	153.7	121.3
June "	121.4	155.4	121.8
July "	120.6	156.1	122.6
August "	118.4	154.0	122.1
September "	118.1	155.0	122.1
October "	118.5	155.6	123.2
November "	118.5	156.5	125.2
December "	118.5	156.0	124.7
January 1929	116.1	156.5	124.3
February "	117.6	160.7	127.5
March "	117.9	162.0	124.4

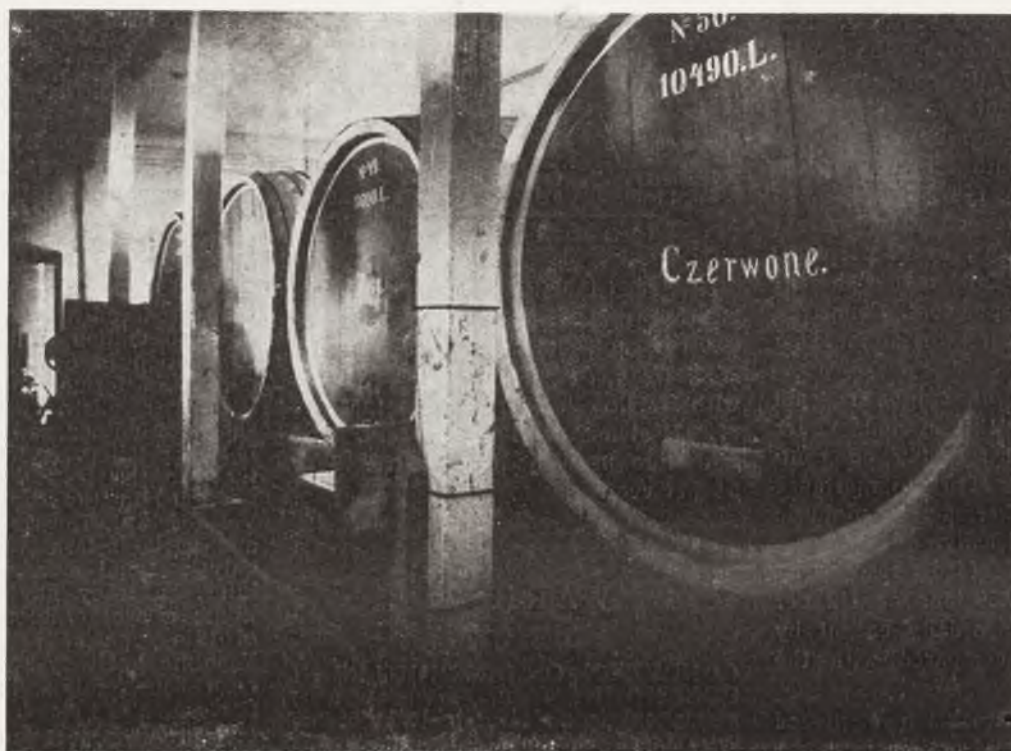
It is seen that the index of wholesale prices rose in March by 0.2 per cent, whilst those of retail prices and the cost of living declined by 0.8 per cent and 2.4 per cent respectively.

The increase in the index of wholesale prices results from a decline of 0.8 per cent in the index for agricultural products, an identical increase in that of manufactured articles, and a rise of

2 per cent in the group of groceries. In the group of agricultural products prices varied as grain rose, by 3.2 per cent and animal products declined by 5.7 per cent, caused by a rise in cattle and meat and the simultaneous decline in eggs and butter, which generally takes place in the spring season. In the group of industrial products prices of timber and coal remained unchanged. The index for textile products declined by 0.9 per cent as a result of the decrease in wool; the index for metals rose by 2.8 per cent in consequence of an increase in the prices of zinc and lead. The index for manufactured articles showed an increase of 1 per cent.

The drop in the index of retail prices was caused by a fall of 1.8 per cent in farm products, as manufactured articles were practically unchanged (a decrease of 0.1 per cent).

The decline in the index of cost of living is principally due to a decline by 4.6 per cent. The cost of fuel fell by 0.6 per cent, whereas that of clothing and other articles accounted for in the index remained unchanged.



WINE FERMENTING CELLARS AT Mr. H. MAKOWSKI'S, KRUSZWICA

FOREIGN TRADE

— Imports to Poland (including the Free City of Danzig) during March 1929 totalled 358,200 tons valued at £ 233·3 million, whilst exports amounted to 1,155,000 tons valued at £ 161·5 million. The adverse balance of trade was thus during March £ 71·8 million. Compared with the preceding month's figures imports fell off by £ 31·6 million and exports by £ 5·9 million resulting in a decrease in the adverse balance by £ 25·9 million.

The severe weather which so unfavourably affected business in February, continued to exert its influence during a part of March as can be seen from the smaller shipments of certain imports such as, artificial fertilizers and scrap iron. Imports fell off to a much greater extent than did exports, but the latter were expected to increase.

Imports during March exhibited, as already stated, a fairly considerable decrease amounting to £ 31·7 million, the consumption articles group being largely responsible for the decline, having fallen in value by £ 12 million. The greatest drop registered in this group was in tobacco, which declined by £ 7·4 million, although this article is independent of seasonal or business conditions. The changes in the remaining divisions of this group are, however,

quite characteristic. The import of wheat (regulated by a customs duty) fell off by £ 1·3 million, although it would seem that the system of individual import licences weakens the effectiveness of the duty and detracts from its purpose. Amongst the more important changes to be noted must be included the decline in the import of edible fats (by £ 1·7 million) and of fish, especially herrings (by £ 1·4 million); this latter is explained by the decreased consumption following the close of Lent. With the general shortage of fodder, a fall in its import figure was to be noted (by £ 0·4 million), counterbalanced, however, by increased maize imports (by £ 0·5 million). The import of southern fruits and lemons increased by £ 0·6 million, and oranges by £ 0·2 million, the figures for February having been smaller owing to the frosts holding up shipments.

In the animal products group, there was a gain of £ 2 million, a change which must be regarded as rather undesirable. A drop in the import of raw hides and skins, amounting to £ 1·1 million, was accompanied by a gain of £ 0·5 million in dressed and tanned products. The import of undressed furs increased by £ 1·2 million and dressed furs by £ 0·4 million, whilst a most disquieting fact was the increase in leather footwear by £ 1 million.

A noteworthy fact is the increase

shown in the import of timber and wooden articles (£ 0·6 million), and of unworked timber (£ 0·3 million).

In the seeds group, a gain amounting to £ 1·0 million was shown by oil seeds, while seeds of plants used as fodder rose by £ 0·1 million.

The import of ceramics also increased by £ 0·5 million. Transport difficulties led to a drop in the import of iron ore by £ 1·0 million and of zinc ore by £ 0·2 million.

In the fuel group, a certain gain was shown in the import of coke (£ 0·5 million), while there was a drop in the case of coal (£ 0·3 million).

In the rubber group, a fall was recorded amounting to £ 2·3 million principally composed of a decrease in raw rubber imports (£ 0·7 million) and in tyres and inner tubes (£ 1·2 million).

In the chemicals group, the most important changes took place in the artificial fertilizer division, the import of which, as a result of the transport difficulties already mentioned, especially in sea transport, fell by £ 10·8 million. This decline was caused mainly by a fall in Chile saltpetre by £ 8·8 million and in Norwegian calcium saltpetre by £ 0·9 million.

The organic chemicals group also exhibited a drop of £ 0·5 million. An increase was noted, however, in the import of technical vegetable oils (£ 0·8

I M P O R T S

E X P O R T S

G O O D S	March 1929	Feb.— March		March 1929	Feb.—March		G O O D S	March 1929	Feb. March		March 1929	Feb. — March	
		1929	1928		1929	1928			1929	1928		1929	1928
Volume — in tons			Value — in thousands of ₤			Volume — in tons			Value — in thousands of ₤				
TOTAL:	358.234	1,207.058	1,165.618	233.286	792.239	913.782	TOTAL:	1,155.080	4,030.417	4,885.091	161.523	544.822	621.552
Foodstuffs	30.984	117.753	132.448	29.333	113.827	134.981	Foodstuffs	51.933	223.086	204.370	31.442	128.024	139.563
including:							including:						
wheat	2,813	13,157	8,216	1,180	6,084	4,294	barley	11,773	49,844	27,621	4,531	19,017	11,877
rye	166	723	2,858	63	313	1,267	potatoes	3,009	6,009	2,594	274	472	216
oats	1,235	2,572	5,296	443	912	1,997	potato products	926	3,781	5,585	314	1,293	3,261
maize	2,132	5,906	13,694	960	2,500	4,311	beans and peas	4,627	15,408	12,558	3,046	9,928	7,180
rice	630	2,039	12,884	444	1,487	8,640	sugar	3,903	55,261	60,901	1,879	26,997	35,109
plums	693	3,012	5,485	926	4,078	6,752	meat	2,283	8,469	8,607	5,854	22,057	20,385
lemons and oranges	2,117	5,423	7,197	1,706	4,498	6,165	butter	753	2,369	2,023	4,427	14,802	12,159
nuts, almonds, spices	272	1,079	1,729	1,011	4,156	6,152	eggs	1,157	2,054	8,799	3,225	6,350	25,452
tea	160	550	660	1,299	4,551	5,802	hops	73	325	238	490	1,885	2,167
cocoa	314	1,326	1,674	821	3,768	5,335	forage	17,731	49,891	56,169	4,446	12,689	12,591
coffee	415	1,632	1,801	1,881	7,489	8,240							
herring	11,451	37,604	27,307	6,291	21,339	16,625	Live animals (head)	89.583	288.945	438.280	15.944	48.089	60.842
edible fats of animal orig.	1,072	3,195	5,582	2,927	8,463	14,311	including:						
edible fats of veg. origin.	850	4,276	3,607	1,499	6,928	8,105	pigs	82,101	251,473	338,411	14,548	42,717	56,751
tobacco	206	2,730	1,968	1,160	10,721	5,902	geese	67	7,363	11,556	1	71	108
forage	5,503	14,902	15,514	948	5,902	4,429							
Live animals (head)	2,536	7,312	17,191	220	588	522	Animal products (head)	1,244	3,142	5,336	5,179	14,158	17,949
Animal products	2,045	7,186	11,116	17,615	53,215	73,986	including:						
including:							dried skins	266	856	2,387	775	2,791	7,339
raw skins	681	2,811	6,085	2,277	9,353	20,109	horse-hair hogs bristles,						
furs raw	213	984	987	4,508	11,181	8,725	feathers, down, and						
tanned hides	244	785	1,274	6,245	20,292	29,227	products thereof	247	720	858	1,561	4,251	4,389
furs	9	38	55	1,285	4,158	6,010							
footwear	30	51	96	1,546	2,650	4,169	Timber and wood ware	196.283	660.469	1,295.482	24.096	80.974	146.940
Timber and wood ware	6,026	14,631	8,697	2,424	5,927	5,044	including:						
Plants and seeds	3,633	10,860	9,603	3,713	10,255	9,942	pulpwood	52,031	227,921	293,842	3,466	14,771	18,617
including:							pit props	24,134	95,237	173,982	1,277	5,042	8,812
oil seeds	2,611	7,951	6,278	1,903	5,753	4,356	round wood and logs	53,364	103,249	352,192	6,356	11,770	34,048
Building materials,							plants, deals, battens	40,820	137,036	356,696	7,916	28,070	64,692
minerals, ceramic	99.301	282.598	315.836	5,296	16,357	17,909	railway sleepers	4,718	27,949	35,996	756	4,500	5,341
products, glass							furniture	657	2,047	1,892	1,416	4,419	3,461
including:							veneers	1,346	7,302	6,151	925	5,732	4,448
ceramic products	11,260	29,849	29,096	2,280	6,409	6,667							
glass and glass ware	613	1,937	2,333	934	2,964	3,341	Plants and seeds	9,660	31,834	28,731	6,878	25,531	28,171
Fuel and petroleum	32,747	76,775	76,979	1,550	4,433	5,203	including:						
products							grasses and pasture	7,938	21,953	18,437	5,508	16,972	19,986
including:							plant seeds	357	2,844	2,215	547	4,225	3,803
coke	20,806	40,587	55,344	815	1,652	2,021	sugar-beet seeds	514	4,011	4,146	514	2,998	3,030
Rubber, rubber prod.	216	1,357	1,375	1,459	9,442	14,725	oil seeds						
including:													
rubber	134	806	660	490	3,249	3,451	Building materials,						
tyres and inner tubes	54	390	364	467	3,454	4,229	minerals, ceramic						
foot-ear, galoshes	8	89	272	155	1,557	5,683	prod., glass	44,824	132,014	193,999	834	2,979	4,776
Chemicals	52,892	235,131	216,434	19,412	88,338	104,405	cement	974	6,984	21,058	83	596	1,643
including:							Coal, coke, briquettes	785,438	2,788,380	2,955,729	23,761	81,015	81,769
phosphate rock	4,201	52,963	14,801	170	2,675	701	including:						
potassium salt	27,028	69,111	43,678	3,892	10,980	6,886	coal	776,142	2,760,495	2,926,384	23,371	81,838	80,668
Chilian salt-petre	10	38,062	52,231	4	16,980	24,113							
Thomas slag	9,789	31,603	47,027	1,363	4,099	4,376	Petroleum products	16,679	45,282	56,971	5,509	16,049	20,368
vegetable fats	2,078	7,098	6,090	3,200	11,036	10,253	including:						
animal fats	838	3,595	3,859	1,243	5,767	5,897	petroleum	2,204	6,304	6,897	499	2,429	1,745
tans	492	2,787	4,645	503	2,850	5,052	motor oils	5,068	12,496	12,857	836	2,026	2,303
pharmaceutical and							lubricating oils	2,520	4,964	6,833	564	1,159	1,756
cosmetic products	106	446	374	965	3,910	4,940	benzine	2,220	7,564	11,076	959	3,221	5,207
dye-stuffs (synthetic)	62	226	539	1,170	3,809	10,008	paraffine wax	2,029	7,120	10,417	2,193	7,296	8,221
Ores, metals and metal	103,965	378,362	279,153	24,211	86,695	79,548	rubber wares	177	239	6	1,171	1,805	65
products							Chemicals	16,184	47,581	50,474	5,523	16,053	13,107
including:							including:						
iron and manganese ores	39,384	146,676	106,626	2,221	8,133	6,085	artificial fertilizers	9,004	26,318	26,993	2,384	6,647	3,558
zinc ores	15,298	46,705	46,146	3,857	11,840	10,255	organic chemicals	3,120	8,474	8,548	1,511	4,428	4,704
scrap iron	38,812	150,696	97,228	4,588	20,622	13,330							
iron, steel, rails	4,172	13,240	4,654	1,501	4,517	2,706	Metals and metal	27,320	79,330	76,285	23,420	66,951	68,079
iron and steel sheets	577	2,161	5,732	490	1,767	4,410	including:						
copper and copper prod.	849	3,180	4,103	3,688	13,169	14,086	iron and steel, rails	3,736	11,880	12,098	1,404	4,245	3,820
Machinery and electr.	5,286	18,139	25,655	27,331	95,640	111,266	iron and steel sheets	2,666	9,204	10,093	1,712	5,669	5,887
appliances							pipes	5,462	16,063	10,511	3,411	9,997	6,539
including:							lead	2,028	4,088	2,536	2,004	4,012	2,485
engines	416	1,560	1,907	1,635	5,608	6,477	zinc and zinc dust	10,618	29,458	31,659	11,666	32,287	35,610
machinery	291	1,014	1,131	1,777	7,213	8,414	zinc sheets	818	2,704	2,754	1,088	3,624	3,912
wood and metal working													
machinery	571	1,831	2,124	2,462	8,284	7,263	Machinery, electrical						
textile machinery	573	2,489	3,090	3,175	14,577	14,356	wares, means of com-	11,529	68,427	94,672	1,300	4,640	2,723
agricultural machinery	776	1,597	4,630	2,000	4,330	11,893	munication						
boilers and heating													
appliances	433	2,472	1,525	1,857	10,023	7,092	Paper, books and pic-	1,190	3,124	3,624	1,103	2,907	2,516
electrical wares	808	2,956	4,406	6,829	23,572	25,638	tures						
Means of communicat.	1,140	3,156	4,470	6,614	21,802	31,889							

million), but there was a fall in technical animal fats (zł 0.3 million), tanning materials (zł 0.3 million), medicinal goods (zł 0.5 million) and cosmetics (zł 0.1 million). Other divisions of the chemical group underwent no fluctuations of any great importance.

In the metallurgical and metals group, a drop was also noted (zł 2.2 million), the most important item, i. e., scrap iron (imported by sea), fell by zł 1.6 million.

The imports of machinery and mechanical equipment, which dropped by zł 3.4 million would seem to point to a pause in the investment process, which has proceeded intensively during the past few months. Thus the import of internal combustion engines fell by zł 0.3 million, of pumps by zł 0.3 million, of electrical machinery by zł 1.2 million, and of boilers and auxiliary equipment by zł 2.3 million. A seasonal activity was evident in the imports of agricultural machinery, which increased by zł 0.7 million. Electro-technical appliances, cables and other materials, dropped by zł 1.7 million, zł 0.9 million of this difference being accounted for by a decrease in the import of telephone apparatus.

The vehicle group likewise showed a decline in imports (zł 1.4 million), motor-cars being the chief factor in this drop, their import having fallen by zł 0.6 million.

A drop in the imports of paper and paper products was also noted (zł 0.5 million), whilst books, periodicals and pictures declined by zł 0.1 million.

General changes in the textile group resulted in a small increase being noted, i. e., by zł 0.3 million. There was a fall in certain raw materials, principally jute (zł 0.4 million), cotton and cotton waste (zł 1.5 million) and combed wool (zł 1.7 million), while wool and woolen waste rose by zł 2.0 million. Cotton yarns fell off by zł 0.9 million, but woolen yarns gained by zł 0.4 million.

The decline in the import of raw cotton and cotton yarns was accompanied by an undesirable symptom, that of an increase in cotton fabrics amounting to zł 1.3 million, and of woolen fabrics by zł 0.7 million imported for the summer season. On the other hand, silk fabrics recorded a decrease, as compared with the figures for the preceding month, the difference amounting to zł 0.8 million.

Falls in the value of exports were noted principally in certain foodstuffs (a decrease of zł 2.6 million), the chief articles affected being barley (a drop

of zł 3.6 million), sugar (zł 1.5 million) and fresh, salted and dried meat (zł 1.7 million). On the other hand a seasonal advance in the export of eggs became apparent (zł 2.4 million) and there was an increase of zł 1.4 million in the export of pigs.

Difficulties in transport and delays in furnishing statistical data are responsible for a net drop in the value of timber exports, a decrease of zł 2.1 million being recorded. There was a falling-off in the export of pulpwood by zł 1.4 million and in deals, boards and laths by a similar amount, also pit props and round wood decreased by zł 0.6 million and railway sleepers by zł 0.6 million. An increase of zł 3 million, however, was shown by exports of unworked timber, i. e., logs, blocks and trunks.

A seasonal rise in the exports of fodder and grass seeds amounting to zł 1 million was noted, but sugar-beet seeds declined by zł 0.3 million and oil seeds by zł 0.2 million.

Amongst building materials, cement exports declined by zł 0.1 million.

The dislocation of transport during March resulted in lower coal exports, the difference amounting to zł 4.6 million. The export of petroleum products has, however, grown, this applying particularly to petroleum (0.2 million), motor and lubricating oils (zł 0.6 million) and paraffin wax (zł 0.6 million).

A very interesting feature of the activity of the rubber industry is furnished by the growth by zł 1.1 million in the exports of rubber goods, comprising for the most part footwear.

The transient growth in artificial fertilizer exports during February was due to special conditions in agreements dealing with nitrogenous fertilizers, and in March a fall occurred amounting to zł 1.2.

Passing on to the metallurgical industries, a general growth in the value of exports in this group (by zł 3.1 million) is to be noted, this increase being due to augmented exports of rolling-mill products, in particular iron and steel plates (zł 0.9 million) and tubes (zł 0.4 million). In addition, export conditions for lead improved, a rise of zł 1.1 million being reported, and zinc exports also increased, being zł 1.6 million greater than in February.

In the textile group a fall in the value of flax exports was noted, amounting to zł 0.8 million. As regards wool, there was a considerable drop in yarns (by zł 2.7 million) and in fabrics (by zł 0.9 million). The export

of cotton fabrics also fell during the month (by zł 0.6 million).

Changes in the remaining groups and articles, as compared with February, were too slight to merit special mention.

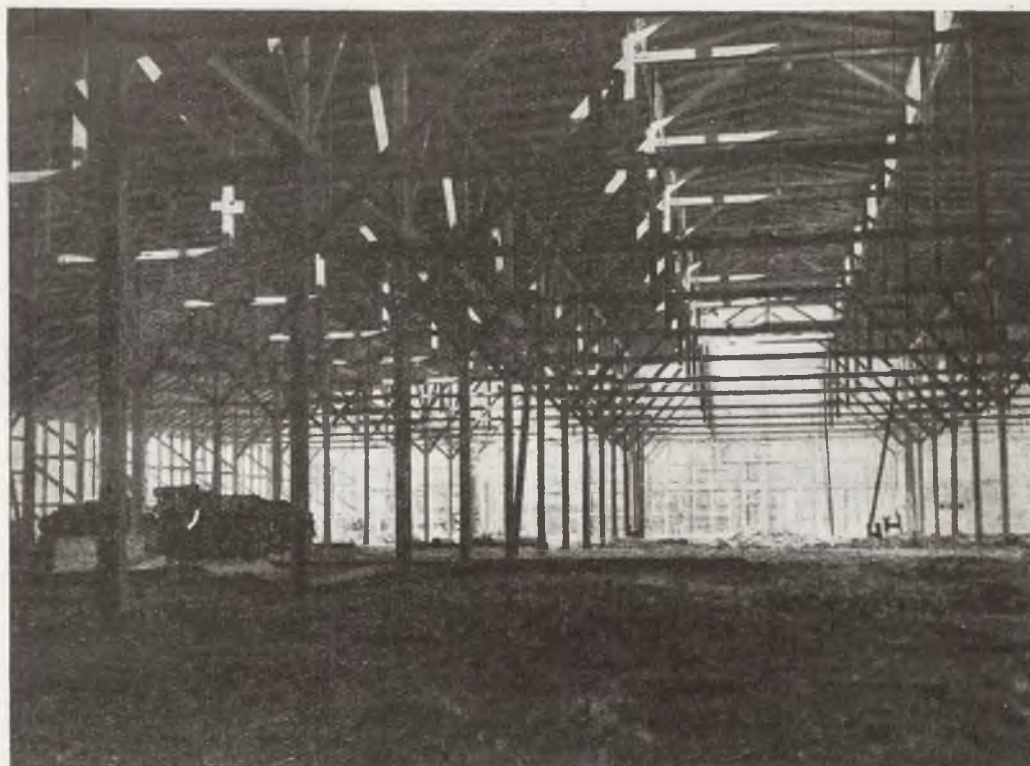
THE REGULATION OF BACON AND HAM EXPORTS¹⁾.—The "Dz. Ust. R. P." No. 4, item 39, contains an order issued by the Ministries of Finance, of Industry and Commerce and of Agriculture, dated December 17, 1928, regarding the export of bacon and ham.

This order is one of the results of the special attention paid by the Government to the development of industries based on agriculture and which can yield important economic benefits to Poland.

The bacon industry was founded in 1926 and therefore must be regarded as an infant industry; for this reason it has had to cope with difficulties, especially as the chief export market is England, which is very particular and conservative and, moreover, has for a long time been accustomed to bacon furnished by Denmark and Ireland. The insignificant part played so far by Polish bacon on the English market (1.3 per cent of the total English imports) is due to some extent to the irregularity of supply, and this again has resulted in Polish bacon failing to attain reasonable prices, being always quoted many points below the prices for Danish and Irish bacon. Another factor which led to this was the fact that Polish bacon had not yet been standardised, although this was essential in order to enter the English market. The regulation of all these matters necessitated the lapse of considerable time, or the outlay of large sums, which, however, the Polish producer had not at his disposal. It is for this reason that the Government has decided to afford its assistance by means of the order quoted above.

Paragraph 2 of the order introduces certificates issued by the Ministry of Industry and Commerce which will qualify exports for the granting the holders to receive customs refunds when exporting bacon and hams. The refunds will be made in order to quickly strengthen the position of Polish bacon on the English market, not so much from the point of view of quantity as from that of quality. The payment of customs refunds will only take place when, as a result of price depression on the English market, the export of Polish bacons becomes unprofitable, unless assistance is given to meet the cost of production. Polish bacon exporters will at the same time bind themselves to maintain a certain export minimum, in order to avoid the almost complete cessation of business during periods of unfavourable conditions, and the consequent feeling of uncertainty amongst English merchants and consumers as regards supplies of Polish bacon. The bacon factories have also bound themselves to maintain a certain standard for Polish bacon

¹⁾ See "The Polish Economist" No. 2, 1929, page 69.



A WAREHOUSE UNDER CONSTRUCTION AT GDYNIA (PHOT. ST. PLATER)

pending the passing of a special standardisation law.

During periods when conditions are favourable on the English market, the sums due for customs refunds will not be disbursed, but will be retained against the eventuality of bad conditions setting in.

OPENINGS FOR TRADE AND BUSINESS WITH POLAND

Particulars of any of the under-mentioned offerings may be secured on applying to the Editor, "The Polish Economist", and quoting the respective Ref. No.

The Editor accepts no responsibility for the consequences of the transactions concluded.

Ref. No. 200: Manufacturers of rubber goods for technical purposes and rubber fabrics are desirous of getting into touch with importers in this line.

Ref. No. 201: Producers of fruit juices are desirous of extending their export trade.

Ref. No. 202: Makers of Diesel internal combustion engines, designed by prof. E. Eberman, seek foreign buyers.

Ref. No. 203: Manufacturers of zinc and zinc galvanized sheets of various dimensions, are desirous of entering into relations with foreign buyers.

Ref. No. 204: Manufacturers of armouring for steam pipes &c. offer their products for export.

Ref. No. 205: Makers of parquetry seek foreign buyers.

Ref. No. 206: Sawmillers offer sawn timber for export.

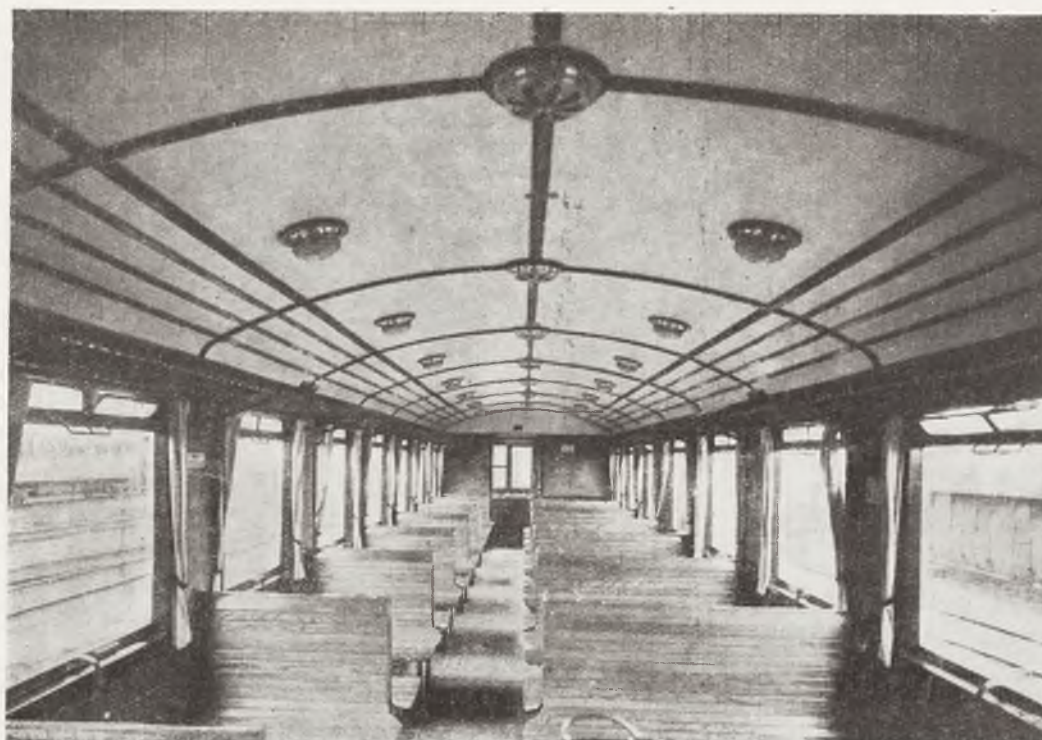
CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

LIST OF ARTICLES ON WHICH EXPORT DUTIES ARE LEVIED. —

During the past year various additions have been made to the list of articles on which export duty is leviable and a number of changes have been introduced in the list already in force. Since these modifications and additions have been introduced on the basis of numerous orders, issued at various times, we give for the sake of clarity a list of all the export duties at present in force:

Customs tariff item	Denomination	Duty per 100 kg Z
218.	Rye	15—
	Note: Rye exported under Treasury licence	Free of duty
219.	Rye flour	15—
220.	Sugar-beet	2—
221.	Bran of all kinds	5—
	Note: Goods covered by item 221 with the exception of rye and wheat bran exported under Treasury licence	free of duty
222.	Bacon-fat and lard	Cancelled
223.	Oil-cake	10—
	Note: Oil-cake exported under a Treasury licence	Free of duty
224.	Molasses	Cancelled
225.	Horses	—
226.	Bones and bone meal	7—

227.	Raw-hides:	
a)	cattle-hides	24—
b)	calf-skins	60—
c)	horse-hides	25—
d)	sheep-skins	30—
e)	goat-skins	60—
f)	uncured rabbit- and hare-skins	200—
g)	scrappings and shavings. Refuse and scraps of all types of raw-hides.	4—
228.	Timber: See No 4 page 140.	
229.	Cork-wood bark waste	Cancelled
230.	Crude coal-tar	2'00
231.	Caoutchouc and rubber waste from factories, as well as old rubber and caoutchouc objects, even if mixed with other materials	5—
232.	Antimony turnings and filings and in pieces	150—
233.	Ores:	
1)	bog-iron	Cancelled
2)	all other iron except bog-iron	Cancelled
3)	pyrites and purple ore	5—
4)	manganese	5—
5)	zinc, lead and copper	30—
234.	Slag and ashes:	
1)	containing iron	2—
2)	" zinc or lead	10—
3)	" tin	200—
4)	" copper	60—
	Note: Slag and ashes mentioned under item 234 and exported under Treasury licence	Free of Duty
235.	Scrap iron and steel: cast and forged, in pieces, broken up, useless objects, turnings, also rolled and filings with the exception of tinplate waste	5—
236.	Copper:	
1)	in pigs, cast bars, and cathodes	150—
2)	as scrap metal and waste, also welding copper in powder or in briquettes	150—
	Note: Copper mentioned under item 236 exported under Treasury licence	Free of duty
237.	Cadmium turnings and filings and in pieces	150—
238.	Nickel and aluminium:	
1)	in pigs, cast bars, cathodes, cubes and pellets	100—
2)	as scrap metal and waste	100—
	Note: Nickel and aluminium mentioned under item 238, exported under Treasury licence	10—



INTERIOR OF A MOTOR COACH ON THE KRAKÓW ZAKOPANE ELECTRICAL RLY

239.	Bronze, phosphor-bronze, brass mosaic, metal, argentine (German silver) and Britannia metal 1) in pigs and cast bars	100—
	2) as scrap metal and waste	100—
	Note: Bronze, phosphor-bronze, brass, mosaic metal, argentine (German silver) and Britannia metal mentioned under item 239, and exported under Treasury licence	10—
240.	Tin:	
	1) in pigs and blocks	500—
	2) as scrap metal and waste	500—
241.	Lead in the form of scrap metal and waste	50—
	Note: Lead mentioned under item 241, and exported under Treasury licence	Free of duty
242.	Rags, used cables, ropes and string; scrap and waste-paper	15—
	Note: Rags, used cables, ropes and string; scrap and waste-paper, mentioned under item 242, and exported under Treasury licence	Free of duty
243.	Vegetable cellulose (cellulose, and masses chemically prepared from rags, straw, etc., dry and moist), sulphite	Cancelled
244.	Flax seed	"
245.	Rape-seed	"
246.	Wheat	20—
	Note: Wheat exported under Treasury licence	Free of duty
247.	Barley	Cancelled
248.	Oats	10—
249.	Wheat flour	expired on 30/IX 1928
250.	Flours other than the above-mentioned with the exception of potato-flour	Cancelled
251.	Artificial fodders	"
252.	Crude petroleum	"
253.	Soap-factory glycerine lyes	5—
254.	Hay of all kinds	15—
255.	Chickens' eggs in shells	200—
	Note 1. Eggs, intended for the personal use of those travelling abroad as well as sent by: post, rail, sea, or any other means of communication in quantities of not over fifty eggs, as well as eggs dealt in "small" frontier trade within the limits indicated by the regulations at present in force	Free of duty.
	Note 2. Eggs exported by enterprises registered in accordance with the regulations concerning the export of eggs	Free of duty.

	Note 3: Eggs exported by agricultural producee as well as by their organisations under Treasury licence	Free of duty.
256.	Corn straw of all kinds, chopped	5—
	Note: Goods mentioned under item 256 exported under Treasury licence	Free of duty.
257.	a) hogs, live or slaughtered, as whole carcasses, per carcass	30—
	b) slaughtered hogs, per half-carcass	15—
258.	Pork: fresh, salted and frozen in an unprepared state with the exception of separate heads and separate viscera, from 100 kg	50—
	Note 1: Goods mentioned under items 257 and 258 exported under Ministry of Trade and Industry certificates	Free of duty.
	Note 2: Breeding pigs, exported by breeders and by breeding organisations under Ministry of Trade and Industry certificates	Free of duty.
	Note 3: Goods mentioned under items 257 and 258 exported with in the limits of "small" frontier traffic, in accordance with agreements in force	Free of duty.

up for the deficiency in transport in the preceding month when the demand could not be satisfied. It may be stated in this connection that certain parts of the country experienced a shortage of various commodities. In March, however, the railways succeeded not only in distributing goods throughout the country, but also provided increased transport for the export trade. As a result, the average daily car-loadings rose from 13,726 in February to 16,557 in March, an increase of 20.8 per cent.

The average daily loadings of 15 ton wagons were as follows:

	March 1928	Feb. 1929	March 1929
loaded on the Polish State Railways:			
destined for local stations	12,273	10,049	11,781
destined for abroad	3,233	2,047	2,686
Total:	15,506	12,096	14,467
received from abroad	712	614	785
transit via Poland	1,351	1,016	1,305
Total:	17,569	13,726	16,557

TRANSPORTS

RAILWAY TRAFFIC IN MARCH.—

The Polish State Railways in March worked under much better weather conditions than in the preceding month, although they were not quite favourable. The comparatively heavy snow falls interfered with the traffic in some parts of the country, particularly during the first half of the month when severe cold still prevailed. Work was carried on at full capacity in order to make

It is seen from the above table that the traffic to all destinations showed considerable increase over the preceding month, amounting to 2,351 wagons per day. The number of car-loadings to local stations rose by 1,732 per day and by 639 per day to foreign countries.

The following statement shows the average daily car-loadings of the different groups of merchandise to local stations (in tons):

	March 1928	Feb. 1929	March 1929
coal, coke and briquettes	3.607	4 089	4.040
crude oil and petroleum products	179	103	174
timber	1.310	834	1.065
agricultural products	1.013	858	1.186
raw materials and industrial products	2.302	1.418	1.970
miscellaneous	3.862 ¹⁾	2.747 ¹⁾	3.346 ¹⁾
Total:	12.273	10.049	11.781

The above table indicates that all groups of freight with the exception of coal, for which there was a lesser demand, due to the milder weather, showed large increases. It should not be inferred, however, that this rise is due to the better trade in general for a large portion of the goods transported in March were destined to make up the shortage caused by insufficient transport facilities in the preceding month.

The following statement shows the daily car-loadings of the different groups of merchandise despatched to foreign countries (in 15 ton wagons):

	March 1928	Feb. 1929	March 1929
coal, coke and briquettes	2.066	1.452	1.859
crude oil and petroleum products	42	25	39
timber	898	371	503
agricultural products	59	60	69
miscellaneous	228	139	216
Total:	3.233	2.047	2.686

The freight destined for abroad showed considerable rise, particularly large increases being recorded in coal and timber. It is generally anticipated that coal exports will grow further in the near future as the execution of orders for the Scandinavian countries was only commenced in the middle of March when the Baltic became free from ice.

TRANSIT TRAFFIC THROUGH POLISH POMERANIA. — Attention has recently been drawn to the excellent facilities and favorable conditions granted to passenger and goods transit traffic between East Prussia and Germany proper, the Paris Convention of April 21, 1921 signed by Poland and Germany which is especially favourable to the latter country. In this connection it would not be amiss to set out what was Germany's attitude as regards a similar problem which came up after the War.

Before the Kalety-Podzamcze railway line was built, Polish Silesia was without direct communication with north-western Poland, except by way of Kluczbork line which led, however, through German Silesia, Poland, the reform was forced to take steps to arrange for an agreement with Germany, analogous to the Paris Convention mentioned above. The attitude taken up by the German Govern-

ment as regards this proposition proved, however, to be, much less favorable to Polish interests, than that taken by the Polish Government with regard to German interests in the Paris Convention. A study of the convention dealing with Silesian transit traffic will furnish ample confirmation of this statement.

One is struck first of all by the fact that the German Government consented to an agreement being signed only for a limited period of time; all military supplies were barred; the Germans reserved the right of applying veterinary restrictions as regards transit traffic, thus causing much trouble and hardship, &c. It was for this reason that the agreement was never concluded, since Poland considered it to be more advisable to build a new railway line on its own territory than to be dependent on the German lines.

On the other hand, Poland has consistently maintained a most reasonable attitude with regard to the Paris Convention. Not only are its provisions adhered to with unusual strictness, but she even tolerates its practical execution by the German railways in a manner which often causes losses to the Polish railway administration. Such losses are of a varied nature, since they arise out of the transport of international consignments by privileged transit trains which should strictly carry goods only for traffic between East Prussia and Germany proper; they arise, also, out of the fact that the German railways introduce reduced tariff charges which the Polish lines are not bound to extend. It must be admitted, however less, that the German railways have of late been exhibiting more goodwill in this direction, and a reconciliation of new tariffs and regulations which will eliminate losses can doubtless be shortly expected.

The Barcelona International Convention for freedom of transit traffic which was signed under the auspices of the League of Nations in 1921, laid down the most liberal principles of freedom in international transit traffic, actuated by the maximum of good-will and of international co-operation. A comparison of the Barcelona with the Paris Convention mentioned above, will readily serve to demonstrate that Poland has accepted burdens, far exceeding those called for by the International Convention. We can pass over without comment such privileges as exemption from customs and passport examinations, reductions of station dues, facilities extended to military transit, and even parity and most-favoured nation clauses, in spite of the fact that the granting of such privileges was not considered by the Barcelona Convention. The most striking privilege granted to Germany is undoubtedly that of permitting her to fix her own railway tariff rates for transit through Poland. In this connection it must be remembered that this does not apply to short distances, a matter of common occurrence in cases of other countries, where the railway lines cut across frontiers for short sectors; the Paris Convention grants to the German railways the right of fixing their own traffic rates for transport over several hundred miles of Polish lines. This privilege enables the German railways

to profit by the difference between their own rates and those paid to the Polish Railway Administration on the basis of the lower Polish railway tariff schedules. In addition, the existence of this difference, permits the German railways to compete by the help of a lower tariff on purely Polish soil, since the East Prussian — Germany transit routes can compete with those used for international transit traffic. This privilege having been granted to the Reich before the conclusion of a trade convention, has allowed Germany to occupy a position which is more favourable insofar as she has no need to negotiate for concessions with regard to railway transit traffic.

From the foregoing it will be apparent that Poland has shown extreme *complaisance* in her attitude towards the economic interests of East Prussia and the Reich. It can but follow that continued complaints as to the existence of the "Polish corridor" are not only devoid of all legal and economic foundation, but of even the least modicum of abstract justice.

THE RAILWAY SYSTEM OF THE FREE CITY OF DANZIG. — The rail transport system over the area of the Free City of Danzig comprises narrow-gauge railways and tramways administered by the Free City, and standard-gauge railways which are owned, run supervised by the Polish Republic. A small part of the standard-gauge system serving the port area is, it is true, the property of the Harbour and Waterways Board of Danzig, but the supervision and administration of it has likewise been handed over to the Polish authorities. In this connexion it must be noted that this cession was effected without imposing any leasehold charges or the like upon Poland. It must be remembered, however, that in taking over the railways, Poland has assumed a considerable financial burden.

As early as September 1921, Poland was ordered by a decision of the League of Nations High Commissioner to agree to incurring an expenditure of 50,000,000 German marks (almost at parity at that time since their depreciation had not yet commenced) in order to cover the deficit incurred by the railway administration of the Free City prior to the taking over of the Danzig lines by Poland, i. e., during the period between the commencement of 1920 and December 1st 1921. This deficit arose as a result of the Free City operating a railway system too low in mileage in comparison with the size of the administrative services.

Poland has also extended, at her own cost, not only her own railway lines in the Free City area, but also those owned by the Harbour Board. She has, moreover, even agreed to the extensions built becoming the property of the Harbour Board, reserving only the right of administering and supervising them.

In addition, having retained the former German (later Danzig) railway personnel, Poland pays salaries, not according to the Polish, but on the

¹⁾ Together with loadings effected in Danzig.

basis of the higher Danzig schedule of wages. That excessive expenditure is caused by the application of the Danzig schedule is illustrated by the fact that whilst over the whole of Europe civil servants are agitating for an increase in their remuneration, the Free City has recently reduced the salaries of its officials, which even so are not lower than those paid in Germany, and are considerably higher than those paid in Poland.

For a certain period of time, the Polish administration was forced to apply higher tariffs on the railway system of the Free City in view of the fact that the exploitation costs were higher there than in Poland; since November 1, 1928; however, the Danzig railway tariffs have been lowered by making them uniform with the Polish. This unification has, it is true, yielded economic benefits to Poland, but it has also benefited to a large extent the economic life of Danzig.

It should be borne in mind that the Polish Railway Administration is bound to give preference to the Port of Danzig before other ports. For the reasons already given and since Danzig citizens have priority of employment on the railway lines of the Free City area, and as, furthermore, contracts for the needs of the Danzig railway system have to be placed in Danzig, provided that the tenders of the local contractors are not higher than those of others, it must be evident to every impartial observer, that Danzig enjoys a very privileged status.

The Free City is, on the one hand, freed from all the cares accompanying the administration of the railways, as also from the financial burdens which it could no longer support. On the other hand, it enjoys all the benefits arising from the existence of a railway system, and in many other respects occupies a privileged position.

DIRECT COMMUNICATION WITH SCANDINAVIA. — On March 13th and 14th., a conference took place in Poznań regarding the introduction of through rates for goods traffic between Poland on the one hand and Denmark, Sweden and Norway on the other, via Germany. The conference came to an agreement by virtue of which a united direct transport tariff will be issued, whilst a number of through rates which will receive prior consideration during the framing of the tariff have already been decided upon. The principles which are to govern the routing of transports and the calculation of through rates were also discussed. The tariff will for the time being contain only such articles as can not be re-loaded owing to the necessity of speed in delivery and which should not be transported by sea. These goods will be transported via Sassnitz-Trälleborg, and the train-ferry without re-loading, in the case of shipments destined for Sweden and Norway and via Warnemuende-Gjedser in the case of Denmark. In shipping goods to the named country, and particularly to and from the Jutland Peninsula, transports will be routed via Flensburg and Suederluegum. It will be a simple matter to calculate the freight charges as they

will be quoted in one currency for the whole journey in both directions; this should facilitate the exchange of goods between the countries concerned.

A mixed commission composed of representatives of all the countries in question will commence drawing up the tariff in the beginning of May while during April the various railway administrations will prepare the material for this purpose. The actual introduction of the through tariff may be expected in September or October of this year.

AN UNDERGROUND RAILWAY SYSTEM IN WARSAW. — Following trial borings which, on the whole, have given favourable results and the receipt of numerous foreign offers for the building of an underground railway system in Warsaw, it can be said that the plan is now assuming concrete form.

The construction of an underground railway is a factor of the greatest importance since it will not only relieve the street traffic, but will also simultaneously speed up communication. The average speed demanded for the railway, including station stops, is 25 km. an hour and the track is to be double. The number of passengers expected to be transported, basing the estimate upon the figures of the tramway traffic of Warsaw, will be in the neighbourhood of 5,000,000 persons per annum.

The directions of the lines have been chosen following careful examinations of the traffic of the various districts and would appear fully to cover the requirements of the City's rapid transit system. The aggregate length of the lines will be about 46 kilometres (26 underground and 20 kilometres of elevated lines), the time necessary for their construction being estimated at about 30 years.

BUILDING OF A LARGE RAILWAY STATION AT ZBĄSZYN. — The Ministry of Communications is at present engaged in building a large frontier railway station at Zbąszyn through which passes the most important international traffic. The work is rapidly approaching completion and great efforts are being made to finish it off as the present accommodation is inadequate to meet the requirements of the large amount of traffic which passes through this important frontier point.

The question of speeding up the completion of the new station has become recently more pressing in view of the imminent opening up of the Polish National Exhibition. The construction of the new station has been planned on modern lines and will answer to all the requirements of a large frontier railway station.

The accommodation includes a large central hall, customs examination hall, excellently equipped buffets and waiting rooms, and underground passages are planned for the future. The station will be finished before the opening of the Polish National Exhibition in spite of the severe frosts which materially retarded progress.

PORT TRAFFIC. — Although in the latter half of March the weather on the

Baltic improved considerably yet conditions cannot be regarded as normal from the navigation point of view. The traffic in the Polish port though larger than in February was smaller than in March last year.

In Danzig the incoming ships numbered 197 with 161,586 net reg. tons (86,351 net reg. tons)¹⁾ and outgoing vessels numbered 155 with 145,530 net reg. tons (101,101) In March 1928, the net registered tonnage of the incoming ships was 311,281, so that the traffic during the period under review amounted only to 52 per cent of that in the corresponding period of last year. On the import side, cargo space was utilised to the extent of 3 per cent, and on the export side to the extent of 53 per cent. Such a low percentage in the case of imports is to be attributed to the fact that in connection with the freezing up of the port of Danzig in February and during the first half of March importers only started to forward their shipments in the latter half of the month. As regards the cargo space utilisation by the export trade, the comparatively large figure (under these conditions) was almost entirely due to the dispatch of coal, the lack of which was badly felt on the Baltic markets and every opportunity was seized to ship coal from Danzig.

The nationality of the ships which called at Danzig in March was as follows:

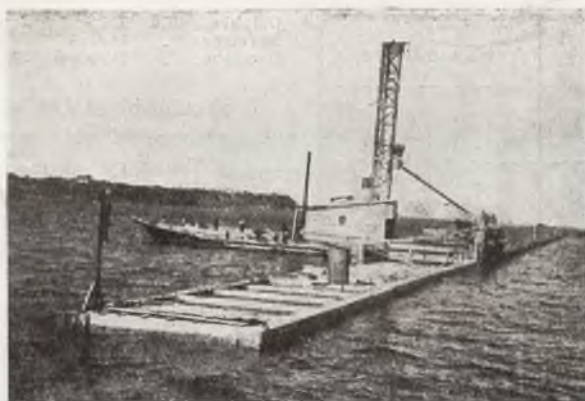
	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
Poland & Danzig	11	9,446	11	14,254
Sweden	60	38,621	61	36,475
Germany	41	31,356	34	32,011
Denmark	32	36,139	19	26,028
England	9	11,350	7	7,690
Latvia	6	7,016	4	6,224
Finland	4	6,413	4	5,433
Estonia	—	—	5	2,033
Lithuania	1	392	—	—
Norway	6	6,337	5	4,490
Holland	1	2,987	1	606
Belgium	1	2,764	—	—
France	1	1,018	1	1,871
Italy	1	2,860	1	606
Jugoslavia	—	—	1	3,272
Greece	2	4,564	1	2,283
Czechoslovakia	1	323	—	—
Total:	177	161,586	155	145,530

Out of 18, the Polish flag occupied the 6 place, the first being the Swedish flag which was followed by the German and the Danish flags.

The movement of goods according to provisional figures was in March as follows (in tons):

	Imports:		Exports:	
	February	March	February	March
grain	880	92	9,380	7,480
sugar	—	—	3,285	3,060
herring	4,550	90	—	—

¹⁾ The figures in the brackets are for the month of February.



SINKING A CAISSON AT THE PORT
OF GDYNIA

groceries and foodstuffs	1,200	434	1,815	946
artificial fertilizers and chemicals	24,926	4,260	400	330
timber	—	—	26,885	2,350
cement	—	—	1,890	360
building materials	—	—	—	—
coal	100	—	334,015	130,440
mineral oils	1,092	910	1,002	258
ores	16,950	—	—	—
scrap iron	16,050	3,470	—	—
iron	—	—	—	—
various	74	355	1,179	1,464
Total:	65,822	9,611	379,851	146,688

The above figures show that the traffic was much larger in February than in March. This is partly explained by the fact that the port was closed by ice in the middle of February, while in March it was frozen up much longer, and partly to the circumstance that the statistical returns for February account for the coal which was loaded during the month on the ships which were immobilised in the harbour and which left it in March. It should be stated that of the regular traffic, coal exports assumed fairly large proportions. Other articles such as timber, scrap iron and ores fell to next to nothing, which clearly

indicates that the month of March was essentially an abnormal period and that, therefore, the figures cannot be taken as a basis for future prospects.

Exports of in coal, excluding bunker, were distributed in March as follows (in tons):

Sweden	71,945
Denmark	42,011
France	35,548
Italy	25,373
Finland	14,514
Latvia	6,283
Norway	4,847
Holland	3,653
Estonia	1,702
Germany	800

Total: 206,676

The movement of passengers in March is given below:

	Arrivals:	Departures:
London	39	—
Hull	29	90
New-York	—	568
Libau	9	8
Windau	1	—
Stockholm	1	—
Total:	79	666

In Gdynia, the traffic was also considerably below the normal, though

it was larger than in the preceding month.

There arrived during the month 46 ships (30) with 40,689 net. reg. tons (26,572), and 51 departed (9) with 39,708 tons (8,165).

The cargo handled also showed an increase, as compared with February, namely from 11,548 tons to 121,810 tons. Imports rose from 3,328 tons to 24,842 tons, and exports from 8,220 tons to 96,967 tons, the bulk of which was coal. Of course, the March figures, were far from normal, due to the fact that more or less regular traffic began only about the middle of the month.

The nationality of the ships calling at Gdynia was as follows:

	Arrivals:		Departures:	
	Feb.	March	Feb.	March
Sweden	17	23	2	31
Poland & Danzig	—	8	—	4
Germany	3	3	1	6
Norway	5	2	2	5
Denmark	2	3	1	2
Latvia	1	5	2	2
Finland	1	2	—	1

AERIAL COMMUNICATION. —

The weather conditions in March were slightly better than in the preceding month; consequently, aerial traffic showed a certain improvement. The number of flights rose from 303 in February to 326 in March, the regularity of flights being 97 per cent; similarly, the distance covered increased from 66,371 km. to 73,615 km., while the number of passengers rose from 402 to 554. There was a considerable increase in freight transport, from 7,567 kg. to 13,172 kg. and in mail — from 1,805 kg. to 2,370.

FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE in March was as follows (in millions of zł):

(Table — see next page)

The State revenue for March, the last month of the budgetary year 1928/29, showed an increase of 11 per cent, that is, from zł 249.3 million to zł 278.0 million. The revenue was only lower than the record figure for December 1928, and is practically identical to that for November; it is much larger than in all the remaining months of the budgetary year. Compared with March

1928, there was a decrease of zł 28.2 million, or over 9 per cent.

The increase in revenue in March, as compared with February, was caused by a large rise in the returns from the State undertakings from zł 2.1 million to zł 21.4 million; the increase in the transfer from the State Forests was considerable as it rose from zł 0.8 million to zł 13.8 million and that made by the Posts and Telegraphs showed a rise of zł 6 million, from zł 1.0 million to zł 7.0 million.

The revenue from the State monopolies rose from zł 71.4 million to

zł 82.5 million, whilst that from State Administration showed a slight fall, from zł 175.9 million to zł 174.2 million despite an increase in revenue from taxes. Compared with March of last year, the largest decline occurred in revenue from the State Administration (principally from taxes) for the transfers from the monopolies rose in the current year considerably and those from State undertakings were only slightly lower.

State expenditure rose during the month under review to a larger extent than the revenue and amounted to zł 265.6 million, as compared with

	Revenue		Expenditure	
	actual	estimated for 1928/9	actual	estimated for 1928/9
A) Civil service	174.2	1.578.8	265.2	2.666.9
The President of the Republic. . .	0.0	0.2	0.4	3.4
The Parliament	0.0	0.3	1.3	11.6
State Control	—	0.1	0.6	5.6
Council of Ministers	0.0	0.0	0.3	2.4
Ministry of Foreign Affairs	1.6	10.9	2.7	52.6
" " War.	0.7	3.8	87.0	773.8
" " the Interior	1.4	17.4	30.4	240.9
" " Finance	152.7	1.392.7	14.7	141.3
" " Justice	4.4	37.1	13.1	119.1
" " Industry and Commerce . . .	0.8	10.7	3.2	48.8
" " Transport	0.1	0.5	3.1	16.5
" " Agriculture	2.1	14.6	11.9	56.7
" " Religious Cults and Edu- cation	0.7	10.8	40.8	440.2
" " Public Works	6.8	39.2	14.5	138.7
" " Labour and Social Pro- tection	0.1	0.8	11.5	61.9
" " Land Reform	0.4	3.0	6.4	54.4
" " Posts and Telegraphs . . .	0.0	0.0	0.2	2.6
Pensions	1.5	27.1	3.1	118.1
Grants to invalids	—	—	5.4	147.0
State liabilities	0.9	9.5	14.5	231.2
B) State enterprises	21.4	104.4	0.3	19.9
C) Monopolies	82.5	876.6	—	—
Total A + B + C:	278.0	2.559.8	265.6	2.686.7 ¹⁾

October 1928	229.5	January 1929	236.1
November " "	247.7	February " "	191.4
December " "	265.6	March " "	224.6

It should be stated that the month of March could not be very favourable to the Treasury as no important taxes were payable, with the exception of the Land Tax, the first instalment of which fell due. Compared with March 1928, when the economic situation was better than this year, the revenue from taxes and monopolies was 7.8 per cent less.

Indirect taxes and the Property Tax showed a decrease as compared with February, but a large increase was recorded in the revenue from direct taxes.

Direct taxes rose during the month from £ 47.3 million to £ 65.3 million, the largest increase being recorded in the Land Tax, from £ 2.7 million to £ 15.4 million which, as already mentioned, is to be attributed to the half-yearly instalment falling due during the month. There was also a large increase in the tax on real estates, from £ 2.9 million to £ 5.6 million the payment for the fourth quarter also falling due during the month under review.

There were increases in the Industrial Tax (from £ 18.7 million to £ 19.9 million) and the Income Tax (from £ 16.6 million to £ 18.3 million).

The revenue from indirect taxes has shown a steady increase during the past few months; they gave £ 18.9 million in February, but declined in March to £ 13.7 million. The cause of the increase in February and the decrease in March was the fluctuation in the revenue from the Sugar Tax, which declined from £ 13.8 million to £ 7.1 million in March, thus bringing down the total revenue from indirect taxes, despite a simultaneous rise in the revenue from the Mineral Oil Tax from £ 2.7 million to £ 4.1.

The revenue from stamp fees which in February declined to £ 14.2 million, owing to the general shrinkage in trade, rose in March considerably, attaining the highest level in the current budgetary year (£ 17.9 million).

The revenue from the customs duties rose during the month from £ 27.5 million to £ 32.9 million, despite a fall in the total value of imports.

The 10 per cent Extraordinary Supplementary Tax rose from £ 8.6 million to £ 9.7 million which is explained by a general increase in the taxes; on the other hand, the Property Tax showed a decrease, from £ 3.5 million to £ 2.7 million.

£ 203.5 million in February, an increase of over 30 per cent, but it was smaller than in March 1928 when it amounted to £ 286.8 million. During the whole year 1928/29, the revenue amounted to £ 3,008.6 million which represents 117.5 per cent of the estimates. This excellent result is to be attributed to a rise in the receipts from the State Administration which returned £ 127.5 per cent of the budget estimates (the revenue of the Ministry of Finance represented 130 per cent of the amount estimated in the budget).

The revenue from the State monopolies exceeded the estimates by 1.6 per cent, and the State undertakings brought in exactly the anticipated amount. It should be stated, however, that a refund was made to the State railways (owing to the exceptionally severe weather and the consequent losses) of the amount which they had paid to the Treasury in the course of the 1928/29 fiscal year, so that the estimated amount of revenue from this source of £ 95.2 million was cancelled.

The State expenditure effected during the fiscal year 1928/29 amounted to £ 2,808.5 million or 104.5 per cent of

the budget estimates. The excess of revenue over expenditure amounted £ 12.5 million in March and £ 200.2 million for the whole budgetary year (£ 265 million for 1927/28).

TAXES IN MARCH. -- This month, the last of the budgetary year shows, as a rule an increase in the State revenue. In the current year, also, the revenue from taxes and monopolies rose considerably, as compared with the preceding month. However, as a result of the losses and financial difficulties which were brought about by the unusually severe cold in January, February and part of March, and owing to the delay in the opening of the spring season in business, the rise in revenue was smaller than in December, which can be seen from the following statement (in millions of £):

April 1928	192.2	July 1928	207.8
May " "	219.0	August " "	213.5
June " "	191.2	September " "	209.5

¹⁾ Together with £ 145 million foreseen in the Treasury Law for 1928/29 for payment of a monthly supplement for employees and pension fund.



STRENGTHENING A BRIDGE ACROSS THE RIVER VISTULA AT TORUŃ
BY MESSRS. RUDZKI & Co., LTD., WARSAW

The State monopolies returned zł 71.4 million in February and zł 82.5 in March, which is a record figure for the whole budgetary year. The State Spirit Monopoly gave zł 43.2 million, as compared with zł 35.2 million in February, and the Match Monopoly zł 3.9 million, as compared with zł 0.7 million.

The revenue for March 1929, as compared with the Budget estimates and the revenue for February this year and March last year, is given in the following table.

	Actual revenue: ^{1/12} th of the yearly budget for			
	Feb.	March	1928	1929
Direct taxes	47.3	62.1	65.3	43.4
Indirect taxes	18.9	15.2	13.7	13.3
Customs duties	27.5	56.5	32.9	27.5
Stamp fees	14.2	18.2	17.9	13.8
Total of the ordinary public levies:	108.0	152.0	129.7	98.0
10 per cent Extra-ordinary Tax	8.6	9.3	9.7	6.8
Property Tax	3.5	4.8	2.7	4.2
Monopolies	71.4	77.3	82.5	73.0
Total of public levies and monopolies:	191.4	243.5	224.6	182.0

STOCK EXCHANGE

— In March the quotations for foreign currencies on the world exchanges showed small variations as compared with the end of the preceding month. The Warsaw Stock Exchange following the example of those abroad, but allowing for local variations in demand and supply, transacted business at practically the same rates as a month earlier. The changes were as follows: London rose zł 0.075 per Pound Sterling, Paris by zł 0.015 and Amsterdam

		28.2	1—9.3	11—16.3	18—23.3	25—27.3	28.3	par value
Warsaw Exchange								
London	£ 1	43.28½	43.27¼	43.28	43.29	43.28½	43.27¾	43.38
New York	\$ 1	8.90	8.90	8.90	8.90	8.90	8.90	8.90
Paris	Fr. Fr. 100	34.83½	34.83½	34.83½	34.84	34.86⅓	34.85	172.00
Brussels	Belg. 100	123.88	123.80½	123.80¼	123.82½	123.84½	123.85	123.95
Zurich	Sw. Fr. 100	171.52	171.52½	171.51¾	171.57⅓	171.60⅓	171.55	172.00
Milan	Lir 100	46.71	46.70	46.71	46.71	46.71⅓	46.67	172.00
Amsterdam	Fl. 100	357.20	357.23	357.21½	357.23⅓	357.54	—	358.31
Vienna	Sh. 100	125.37½	125.31⅓	125.26¾	125.32	125.35	125.31	125.43
Prague	Kc. 100	26.40½	26.40¾	26.40	26.40⅓	26.41¼	26.40½	180.62
Stockholm	Kr. 100	—	238.25	238.23¼	238.24	238.26	—	238.89
Foreign Exchanges								
London	£ 1	43.28	43.27½	43.28	43.29	43.30	43.30	43.38
New York	zł 100	11.25	11.25	11.25	11.25	11.25	11.25	11.22
Zurich	zł 100	58.35	58.34⅓	58.30	58.30	58.30	58.30	58.14
Vienna	zł 100	—	79.76⅓	79.79	79.74⅓	79.72	79.73½	79.55
Prague	zł 100	378—	378.44⅓	378.08	378—	378.17	378—	55.36
Berlin	zł 100	47.25	47.24⅓	47.24⅓	47.25½	47.24⅓	47.25	47.09
Danzig	zł 100	57.76½	57.81	57.79	57.76	57.74⅓	57.76½	57.63



MODEL OF THE CENTRAL
TELEGRAPH STATION TO
BE ERECTED AT WARSAW

towards the end of the month showed an increase of zł 0.34. Of the remaining quotations, Brussels fell by zł 0.03, Zurich by zł 0.02, Milan by zł 0.04 and Vienna by zł 0.065 (per 100). Prague and Stockholm remained unchanged. The rates for the złoty on foreign stock exchanges fluctuated within very

narrow limits or kept steady. A slight decline was recorded at Zurich and Vienna, and a slight increase in London, whilst on the New York, Berlin, Prague and Danzig exchanges quotations were the same as at the end of February.

The business transacted during the month was fairly large. There was a larger demand for drafts on London, but for those on New York a falling off was recorded. During the pre-holiday period, similarly as in the preceding month, the banks covered the needs of their clients from their own foreign currency reserves, in consequence of which the purchases of currencies and drafts on the Stock Exchange were comparatively small.

SHARES

— The holiday period, which occurred this year at the end of March, usually brings about a certain dislocation in stock exchange business and for this reason and also owing to increased disbursements there was a shortage of cash, in consequence of which selling gained in intensity; this explains the downward movement in quotations. The unfavourable weather conditions, which delayed the opening of the spring season, were responsible for substantial business losses on the European continent which, of course, unfavourably

affected the conditions ruling on the different money markets. Outside brokers who, under normal conditions, exercise considerable influence on the tone of the market adopted a waiting attitude, with the result that the amount of business was below the normal level. Under these conditions, comparatively speaking, few transactions were carried through on the stock exchange.

Of the banking shares, Bank of Poland showed a decrease, due to the small demand for large parcels. Other shares of this group were little in demand and were not subject to any considerable fluctuations. The Warsaw Discount Bank showed a fall of zł 12 which is to be attributed to the dividend having been paid for the year 1928 (the dividend for 1927 was 10 per cent). The shares of the Bank Handlowy are at zł 120, but little business is done as very few are on offer. Bank Związku Spółek Zarobkowych remained unchanged throughout the month, while Bank Zachodni shares have not appeared on the market at all.

Of the metallurgical shares Cegielski, Zieleniewski, and Rudzki were steady but the remaining showed a falling off as they were little in demand. Of the other classes of shares, Wysoka were strong, Spiess — unchanged, and the remainder, generally speaking, weak.

S H A R E S	28.2	1—9.3	11—16.3	18—23.3	25—27.3	28.3	Nominal
Bank Polski	176.50	176.40	173.—	166.80	165.—	163.50	zł 100.—
Bank Dyskontowy Warszawski	139.—	138.80	140.—	138.—	127.—	—	zł 100.—
Bank Handlowy w Warszawie	120.—	120.—	120.—	120.—	—	—	zł 100.—
Bank Zachodni	—	—	—	—	—	—	zł 100.—
Bank Zw. Sp. Zarobkowych	85.—	85.—	85.—	85.—	85.—	85.—	zł 100.—
Warsaw Coal Mining Co.	87.50	86.50	86.—	—	80.—	82.—	zł 100.—
Chodorów	—	—	—	—	—	—	zł 100.—
Cegielski	—	41.—	41.—	—	—	—	zł 50.—
Zieleniewski	—	—	133.—	—	—	—	zł 100.—
Norblin, Buch & Werner	190.—	185.25	—	160.—	—	—	zł 100.—
Starachowice	32.75	31.50	30.90	30.40	29.85	30.—	zł 50.—
Lilpop, Rau & Loewenstein	36.—	35.90	35.35	33.65	33.15	33.75	zł 25.—
Ostrowiec (b. series)	105.—	102.85	99.—	96.40	96.—	96.—	zł 50.—
Modrzejów	—	29.25	29.35	28.70	27.25	27.50	zł 50.—
Rudzki	41.—	41.—	41.—	40.75	40.—	—	zł 50.—
Warsz. Sp. Akc. Budowy Parowozów	—	—	—	26.—	27.—	26.25	zł 25.—
Zawiercie	13.—	13.—	—	—	—	—	zł 60.—
Standard Nobel	—	21.50	22.75	21.50	20.75	—	zł 50.—
Borkowski (Eligor)	13.75	—	12.50	10.—	—	11.—	zł 25.—
Wysoka	—	—	236.—	238.50	—	—	zł 100.—
Siła i Światło	—	142.—	139.75	139.60	134.—	—	zł 50.—
Zakłady Chem. Ludwik Spiess & Syn	—	255.—	255.—	255.—	255.—	255.—	zł 100.—
Zjedn. Brow. Warsz. Haberbusch & Schiele	—	228.15	226.—	222.—	220.—	220.—	zł 100.—

State, Municipal & Land Loans	28-2	1-9.3	11-16.3	18-23.3	25-27.3	28.3	Nominal
5% Conversion Loan	67—	67—	67—	67—	67—	67—	z 100—
7% Stabilisation Loan	—	92—	—	92—	—	—	\$ 100—
6% External Dollar Loan 1920	—	85—	—	—	84.75	—	\$ 100—
4% Premium Investment Loan	111.50	112.60	111.90	108.65	108—	107.50	gold z 100—
5% Premium Dollar Loan (2nd series)	102.75	94.95	94.10	92.15	84.15	81.50	\$ 5—
10% Railway Loan (1st series)	102.50	102.50	102.50	102.50	102.50	102.50	gold Fr. 100—
8% Bank Gospodarstwa Krajowego Bonds ...	94—	94—	94—	94—	94—	94—	gold z 100—
8% State Land Bank Bonds	94—	94—	94—	94—	94—	94—	gold z 100—
8% Com. Oblig. of the Bank Gospodarstwa Kraj.	94—	94—	94—	94—	94—	94—	gold z 100—
8% Land Credit Association Bonds	—	73.75	75—	75—	—	—	z 100—
4% Land Credit Association Bonds	—	43—	—	42.25	—	—	z 100—
4½% Land Credit Association Bonds	49.25	49.85	49.70	49.50	49.25	49.80	z 100—
8% Credit Soc. of the City of Warsaw Bonds ...	69.75	69.85	69.60	68.85	68.85	69.25	z 100—
5% Credit Soc. of the City of Warsaw Bonds ...	52.50	52.70	52.55	51.65	51.85	52—	z 100—
4½% Credit Soc. of the City of Warsaw Bonds ...	—	48.15	48—	46.50	—	—	z 100—

STATE, MUNICIPAL AND LAND LOANS

— Government securities for the most part remained unchanged. Fairly large fluctuations were recorded, however in the case of the Premium Loans. The demand for the 4 per cent Premium Investment Loan was weak and a drop amounting to several per cent was recorded. The advantages of this bond are not as yet fully appreciated by the public. It was issued in July last year when very many people were on holiday so that this opportunity was made use of by speculators who succeeded in buying up a large portion of the loan. At the present time, having large parcels on their hands, they realise as soon as the quotations leave even a small margin of profit. This explains why these bonds cannot attain a rate in keeping with their real value. The second Premium Dollar Loan, the quotations for which are double the nominal value, is beginning to lose strength for in about two years it is subject to payment at par. The quotations therefore fell by about 20 per cent.

Of the bonds of private institutions, the 8 and 4½ per cent Land Credit Association Bonds showed a stronger tendency. The business in the 4½ per cent bonds assumed at times large proportions. The bonds of the Credit Society of the City of Warsaw showed a slight falling off. The bulk of these bonds are purchased for the investment of savings.

SHORT-TERM CREDITS IN 1928.—The growth of short-term credits which began to be granted in the middle of 1926, continued to expand in 1928 although the rate of increase became much lower during the last quarter. This is explained by the shortage of

money on the market during the second half of the year, and by a relatively smaller increase in foreign deposits with the banks. Further, towards the end of 1928, the banks were reluctant to increase credits in view of the weakening of the cash reserves and because of the rapidly increasing share taken by short-term foreign loans in the granting of credits; finally, a certain deterioration in business conditions towards the end of the year resulted in a smaller demand for credits on the part of industry.

During 1928, the aggregate of short-term credits rose from z 1,949.4 million to z 2,718.3 million, i. e., by z 768.9 million, or by 39.4 per cent. The increase for 1927 was z 564.4 million, i. e., 40.6 per cent. The percentage of increase was, therefore, almost the same in 1928 as in 1927, but the actual value in 1928 was considerably greater than that for 1927. It must be remembered, however, that in 1927 the actual growth of short-term credits was really much greater than the figure announced, as the National Economic Bank transferred during the second half of that year the sum of about z 180 million from short-term credits to long term cash credits. Over the course of two and a half years, that is, from the middle of 1926, short-term credits (even excluding from consideration the above-mentioned transfer of credits by the National Economic Bank) grew by z 1,565.8 million, or by 135.8 per cent.

As has already been stated above, the rate of acceleration in the growth of credits in 1928 was not uniform; credits rose by z 238.9 million during the first quarter, by z 258.6 million in the second quarter, by z 245 million in the third quarter and by only z 26.4 million during the last quarter. During the fourth quarter only the joint stock banks and the State Land Bank increased their credits.

In explanation, it must be here stated that the figures quoted above comprise the short-term credits granted by all financial institutions possible of consideration, such as, by the Bank of Issue, State banks, communal bank and private banks, with the exception of savings-banks and credit co-operative societies.

The greatest relative increases shown for the year 1928 were recorded by the communal banks (The Polish Communal Bank of Warsaw and the Communal Credit Bank of Poznań) the increase being 78.2 per cent, then follow the State Land Bank (65.7 per cent), the Bank of Poland (47.0 per cent), joint stock banks (38.8 per cent), branches of foreign joint stock banks (38.0 per cent), and, occupying last place, the National Economic Bank (13.4 per cent). The aggregate of credits granted by the Central Agricultural Co-operatives Bank maintained the same level in 1928 as in 1927, the balances as on December 31st being z 20.7 million two years ago and z 20.6 million last year. The only institution which showed a fall in the credits granted is the Postal Savings Bank, the policy of which is to restrict its short-term credit activities, preferring to invest its funds in securities; it is increasing its loans against interest-bearing securities, but continuing to cut down loans against bills. The comparatively small increase in the credits extended by the National Economic Bank should also be touched upon. This is explained by the fact that the Bank is concentrating its activities in the direction of long term bonds or cash credits. The Bank of Poland, whose credits in 1927 had grown relatively less than those of other financial institutions, considerably extended its credit activities during 1928, although during the last quarter of the year it reduced them considerably.

The division of the credits among the individual institutions and the groups is shown in by the following table (in millions of z).

	30.6 1928	1.1 1928	31.12 1928
Total	1,152.5	1,949.4	2,718.3
Joint Stock Banks:	429.0	924.2	1,281.9
Including:			
branches of foreign banks	53.1	12.8	177.7
Bank of Poland	351.4	497.7	731.9
State banks:	354.0	458.0	650.4
National Economic Bank	254.6	236.0	267.6
State Land Bank	75.7	213.1	353.1
Postal Savings Bank	23.7	38.9	29.7
Communal banks	8.7	18.8	33.5
Central Agricultural Co-operatives Bank	9.4	20.7	20.9



ONE OF THE WORKSHOPS OF MESSRS. MAGISTER KLAWE, MANUFACTURING CHEMISTS, WARSAW (PHOT. J. MALARSKI)

The growth of the various forms of short-term credits during 1928 is seen in the following (in million of zł):

	1/I 1928	31/XII 1928
Bills discounted and loans against bills	989.1	1,390.9
Open credits	694.7	855.7
Fixed term loans	96.2	149.2
Loans against securities, foreign exchange and goods	54.5	108.3
Special credits of the State Land Bank	104.0	200.9
Loans advanced by the Central Agricultural-Co-operatives Bank ¹⁾	10.9	13.3

As will be noted from the foregoing, the greatest relative growth is exhibited by loans against mortgage (Bank of Poland and the Postal Savings Bank). Then a very considerable gain is shown by the special credits granted by the State Land Bank (particularly credits for the purchase of artificial fertilizers), and by fixed term loans. A considerable growth in discount credits (by over 40 per cent), together with a relatively much smaller growth in open credits (by about 23 per cent), may be con-

sidered as being a favorable symptom. Discount credits to-day amount to about 51 per cent of the aggregate of all credits, whilst previously, open credits predominated. This change in the state of affairs may be ascribed chiefly to a corresponding change in the operations of joint stock banks and of the National Economic Bank.

In the bills-discounted item for December 31st 1928 included in the above table, nearly one half is represented by the discount credits of the Bank of Poland; of the open credits about 85 per cent represent credits granted by joint stock banks; in the mortgage loans item (including goods collateral) about 84 per cent are accounted for by the Bank of Poland; approximately 60 per cent of the fixed term loans were granted by the State Land Bank.

BANK OF POLAND

— During the month of March the value of foreign currencies and drafts at the Bank of Poland declined considerably, falling by zł 38.8 million, or 5.6 per cent. This decrease is accounted for by an increase in the sales of drafts, while purchases remained at

the previous level. The rise in sales is accounted for by an increased demand for currencies and drafts on the part of Government departments in connection with the service of the foreign loans. It should be stated that the increase in sales, and the maintenance of purchases at a low level were largely due to the unfavourable conditions prevailing on the foreign money markets. The dearth of money abroad, especially in New York, has brought about a certain decline in the granting of foreign credits and even a certain shrinkage in the credits which had already been granted. Under these conditions the Bank decided to raise the rate of discount.

During March, the purchases of foreign currencies and drafts amounted to zł 98.2 million, as compared with 97.6 million in February, and sales totalled zł 142 million, as compared with zł 89.6 million. The sales effected on the Stock Exchange and to customers, rose from zł 58.4 million to zł 73.1 million, while those to Government departments more than doubled, rising from zł 23.3 to zł 54.3 million. The decrease in the value of foreign currencies and drafts

¹⁾ These are fixed term and open-credit loans, which were segregated under new headings in the balance-sheets for the last quarter of 1928, and cannot be compared individually with figures for preceding periods. Fixed term loans came to zł 9.8 million on December 31, 1928, and open credits to zł 3.5 million.

	F E B R U A R Y 28th		M A R C H 10th		M A R C H 20th		M A R C H 31st	
A s s e t s :								
Bullion:								
gold in vaults - - - -	426,130.092.11		426,309.266.82		426,603.275.63		426,803.352.94	
" abroad - - - - -	195,401.922.66		195,401.922.66		195,401.922.66		195,401.922.66	
silver (gold value) - - -	824.337.32		979.883.81		1,007.027.09		1,090.332.30	
	622,356.352.09		622,691.073.29		623,012.225.38		623,295.607.90	
Foreign currency, drafts and assets - - - - -	544,132.419.77	1,166,488.771.86	537,782.966.13	1,160,474.039.42	530,374.262.44	1,153,386.487.82	529,940.624.26	1,153,236.232.16
Foreign currency, drafts and assets not included in the cover - - - -		153,601.292.15		147,186.234.12		132,912.251.72		128,989.907.13
Silver and token coins - -		95.650.41		217.089.53		812.226.53		581.847.52
Bills of exchange - - - -		660,194.862.65		662,918.207.25		650,465.263.46		703,970.717.92
Loans against securities -		84,498.761.97		80,541.959.69		80,917.699.75		85,651.286.48
Own interest-bearing securities - - - - -		3,177.977.11		3,537.367.46		3,758.476.71		7,063.644.11
Reserve funds invested in the securities - - -		69,242.505.63		69,704.616.74		69,704.457.04		69,077.258.—
Loans to Government - - -		25,000.000.—		25,000.000.—		25,000.000.—		25,000.000.—
Property - - - - -		20,000.000.—		20,000.000.—		20,000.000.—		20,000.000.—
Other assets - - - - -		79,713.099.60		73,715.320.95		79,849.770.80		78,067.407.82
		2,262,012.921.38		2,243,294.835.16		2,216,006.633.83		2,271,638.301.14
L i a b i l i t i e s :								
Capital - - - - -		150,000.000.—		150,000.000.—		150,000.000.—		150,000.000.—
Reserve fund - - - - -		100,000.000.—		100,000.000.—		100,000.000.—		100,000.000.—
Sight liabilities:								
current accounts of State institutions - - -	369,710.578.86		363,599.746.87		382,530.689.03		259,721.049.39	
outstanding current accounts - - - - -	161,128.804.16		180,938.105.52		186,869.909.76		198,193.646.61	
silver purchases a/c - - -	34,000.000.—		34,000.000.—		34,000.000.—		34,000.000.—	
State credit fund a/c - -	17,256.659.60		17,256.659.60		10,696.752.10		10,480.052.10	
various accounts - - - -	11,359.702.17		9,245.132.63		9,805.205.64		9,830.404.09	
	593,455.744.79		605,019.644.62		623,902.556.53		512,225.152.19	
Notes in circulation - - -	1,248,791.110.—	1,842,246.854.79	1,215,889.530.—	1,820,929.174.62	1,166,021.500.—	1,789,924.056.53	1,333,257.560.—	1,845,482.712.19
Special account of the Treasury - - - - -		75,000.000.—		75,000.000.—		75,000.000.—		75,000.000.—
Other liabilities - - - - -		94,766.066.59		97,365.660.54		101,082.577.30		101,155.588.95
		2,262,012.921.38		2,243,294.835.16		2,216,006.633.83		2,271,638.301.14

affected, more or less to the same extent, the currency reserves forming part of the cover for the banknotes in circulation and sight liabilities, which fell from zł 544.1 million to zł 529.9 million, and the currency reserves, which are not included in the cover, and which declined from zł 153.6 million to zł 129.0 million.

As regards the bullion reserves, they showed a slight increase as a result of gold and silver, mostly in the form of coins, made by the provincial branches of the Bank. The value of the gold held in the vaults of the Bank rose by zł 673.000 and that of silver by zł 266.000.

The changes in the bullion and foreign currency reserves representing the cover for the notes in circulation and sight liabilities are given in the following table (in millions of zł):

	February 1st	February 28th	March 31st
gold	621.1	621.5	622.2
silver	0.5	0.8	1.1
foreign currencies and liabilities	527.1	544.1	529.9
Total:	1.148.7	1.166.5	1.153.2

In relation to the value of the notes in circulation and sight liabilities, the above mentioned reserves represented 62.49 per cent at the end of March, as compared with 63.32 per cent at the end of February (minimum statutory cover 40 per cent).

The value of banknotes in circulation and sight liabilities remained practically unchanged amounting to zł 1.842.2 million on February 28, and zł 1.845.5 million on March 31st. The two items composing the latter sum, however, showed considerable changes: the sight liabilities dropped substantially, from zł 593.5 million to zł 512.2 million, while the value of the banknotes in circulation rose very markedly, from zł 1.248.8 million to zł 1.333.3 million.

The decrease in the sight liabilities was principally due to a drop in the deposits on Government current accounts, which decreased from zł 369.7 million to zł 259.7 million, owing *inter alia* to the payment of salaries to the Government employees before the end of the month. At the same time the

balances on the current accounts of private firms and individuals showed an increase from zł 161.1 million to zł 198.2 million. A payment to the amount of zł 6.8 million was made by the Bank from the State Credit Fund.

The rise in the value of the banknotes in circulation reflects, in the first place, a fall in the deposits on current accounts as also a considerable rise in the credits granted by the Bank.

The discount credits employed (bills in portfolio) rose in March from zł 660.2 million to zł 704.0 million, and as the value of credits granted (excluding the credits accorded to the State banks) only increased from zł 822.9 million to zł 841.2 million, the ratio of credits employed to those granted rose considerably.

Loans against securities increased slightly, from zł 84.5 million to zł 85.7

The whole of the bank cover for the notes in circulation and sight liabilities is given below (in millions of zł):

	February 1st	February 28th	March 31st
bills	640.7	660.2	704.6
Polish silver coins and token money	1.0	0.1	0.6
loans against se- curities	91.2	84.5	85.7
own interest-bear- ing securities	4.1	3.2	7.1
liability of the Treasury	25.0	25.0	25.0
Total:	761.9	773.0	822.3

INCREASE IN THE RATE OF DISCOUNT. — The Council of the Bank of Poland at a meeting held on April 18 decided to increase the rate of discount from 8 to 9 per cent, and the rate of interest on loans against securities from 9 to 10 per cent.

In accordance with the declaration of the Vice-President of the Bank, Dr. Młynarski, the increase is fully justified in view of the conditions prevailing on the foreign money markets. The increase in the rate of interest ruling on the American markets has attracted capital from Europe to America, which is reflected in the transfer of drafts and gold from the Banks of Issue. Poland is also in a similar position and, owing to the shortage of money, she must defend herself against transfers of money and do everything in her power to attract an inflow of capital. The increase in the discount rate by



THE POLISH POST OFFICE AT DANZIG

the Bank of Poland necessitated the establishment of a maximum rate of interest to be charged by the private Banks.

Thus, in accordance with the order of

the Ministers of Finance and of Justice, dated April 26, the interest and commission taken together on all credit transactions may not exceed 13 per cent (12 per cent up to the present).

LATEST NEWS

WARSAW EXCHANGE:

	10.4.29	20.4.29
\$ 1 = £	8.90	£ 8.90
£ 1 = „	43.28 1/4	„ 43.28

BANK OF POLAND:

ASSETS:	10.4.29	20.4.29
Gold and silver reserve. £	623,489,083.23	£ 623,957,652.41
Foreign balances ... „	506,147,478.65	„ 447,123,400.32
" " (not included in the cover) „	104,391,695.57	„ 93,011,389.02
Bills of exchange ... „	683,240,986.60	„ 687,975,347.20
Loans against securities „	84,483,704.74	„ 85,121,603.95
LIABILITIES:		
Notes in circulation ... „	1,208,002,150.00	„ 1,168,291,630.00
Current accounts ... „	504,928,912.19	„ 518,289,351.91
Other sight liabilities ... „	53,945,656.18	„ 46,988,743.39

BANK NOTES COVER

(bullion & foreign currencies)	63.93%	63.52%
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